The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Japanese Warlords Alarmed at Anglo-Russian-American Accord

ARTICLES IN THIS ISSUE

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Formosa Builds Strong Defenses
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Scanning the Chinese Political Horizon . . By Hubert S. Liang

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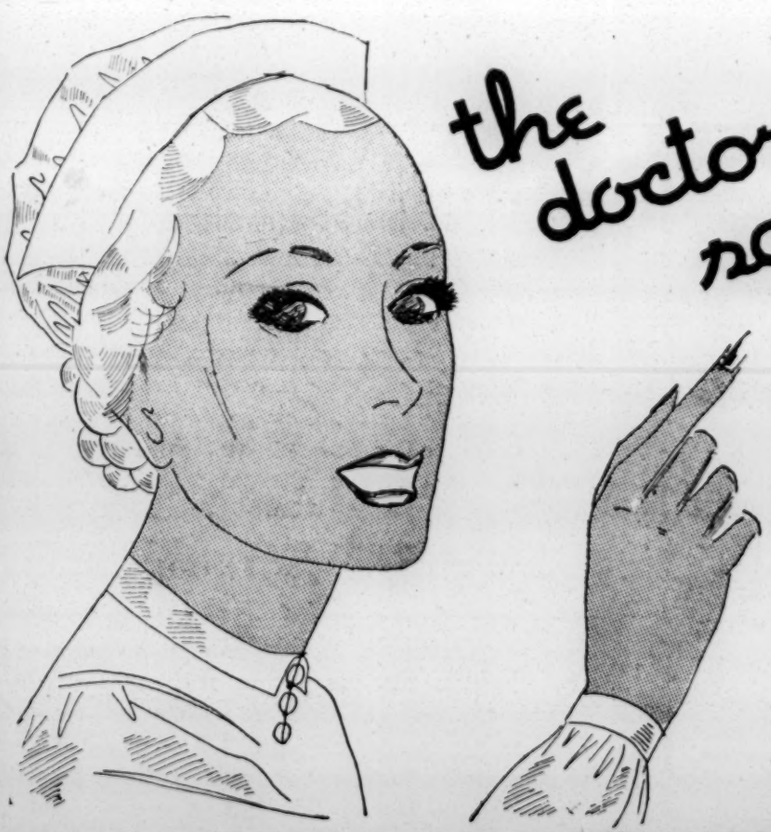

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PHILIPPINES SECURE FROM ATTACK AFTER TEN YEARS

MAJOR-GENERAL Douglas MacArthur, former U. S. Chief-of-Staff, now principal military adviser to the Philippine Commonwealth, claims that the Philippine Islands will be impregnable against attack after the completion of the present 10-year program of defense construction. Gen. MacArthur, now retired from active service in the U. S. Army, went to Manila a year ago upon the invitation of the Philippine authorities to investigate the problem of defending the Islands against attack by a "ruthless and powerful foe." There is no secret as to what nation he had in mind; hence the defense plans have been designed with the object of preventing the Japanese from repeating there what they have accomplished by force of arms in Formosa, Korea, Manchuria and now in North China.

Gen. MacArthur recommended an economic setup for an active and carefully planned defense of every foot of shoreline in the inhabited islands of the archipelago. The plan provides for a total expenditure of U. S. $80,000,000 spread over a period of ten years, at the conclusion of which time the Islands are expected to achieve complete independence. The MacArthur plan embraces a fleet of small and fast torpedo boats for coastal defense, an air corps based mainly on fast bombers, and a regular army and reserve corps. Ultimate strength of the regular army will be about 930 officers and 6,500 men, with a reserve corps to be trained under universal military service, in schools and out, at the rate of 40,000 a year.

Of special interest was an address delivered by Gen. MacArthur before a group of Philippine Army officers on August 3 in which he declared that the Italians would not have been able to occupy Abyssinia had the people of that unfortunate country adopted an adequate system of military development ten years ago. Referring to the problem of defending the Philippines he stated that the Islands were favored by nature in that

they are isolated and much of the terrain is covered with dense forest and is mountainous. He declared, "I am certain that no chancellery in the world, if it accepts the opinions of its military and naval staffs, will ever attempt willfully to attack the Philippines after the present ten year national defence plan is completed."

Of further interest was a statement by Major-General Pauline Santos, Chief-of-Staff of the new fighting machine in the Islands. He said that the Filipino soldier not only will be taught to handle a gun and shoot, but also will be taught to support himself by acquiring an actual knowledge of farming while in the course of military training. In this manner the new army will become self-supporting so far as food is concerned, the scheme paralleling the plan which the Soviet Russians inaugurated in Siberia several years ago. Construction work is now proceeding on the 128 army barracks scattered over the country which will be necessary to house the first 20,000 recruits who will begin training early in 1937. Another 20,000 will receive training in the second half of the year and thereafter for a period of 10 years the number trained will be 40,000 a year making a total of 400,000 for the entire period.

A brief dispatch from San Francisco, published in the local papers on July 29, stated that the steamer President Monroe, sailing that day carried 900,000 pounds of rifles and parts consigned to the new Philippine Commonwealth Army. The program is on!

Of greatest significance, however, is the apparent determination of the Filipinos to prepare for the defense of their independence—a spirit which gives the lie to the pessimists that the withdrawal of the United States ten years hence will be followed by Japanese control. The Filipinos have always opposed alien rule; they were in constant rebellion against the Spanish and continued the fight for independence after the United States defeated the Spanish fleet in Manila bay. They have never ceased their agitation for independence and their decision to utilize the services of Major-General Douglas MacArthur in developing the defences of the Islands indicated their intention to defend themselves after complete independence has been achieved. Frank Murphy, former Governor-General and High Commissioner, who resigned recently in order to become a candidate for Governor of Michigan, declared that the Filipinos are politically well prepared for independence and thus far have shown ample legislative capacity for self-government. Their main difficulty is concerned with the economic stability of the Islands which will constitute the chief problem to be solved in the coming decade.

B. A. T. "RECOGNIZES" MANCHUKUO, INCORPORATES AT HSINKING

A brief thirteen-line *Reuter* report from Mukden published in the Shanghai newspapers on Sunday morning, Aug. 2 didn't tell the whole story of the final capitulation of the British cigarette and affiliated financial interests to Japanese pressure in the puppet state of Manchukuo. According to reports in the Tokyo newspapers it was suggested that the adjustment of the long-standing controversy which started with the Japanese occupation of the Manchurian provinces in the fall of 1931, resulted, indirectly at least, from the visit of Sir Frederick Leith-Ross, British Treasury official, to Tokyo. While the Leith-Ross visit to Tokyo, following his long sojourn in China was concerned with a general readjustment of Anglo-Japanese relations in China, the British economic adviser also discussed numerous specific problems with the Japanese most of which involved Japanese protection of British investments in the Manchurian and North China provinces where Japanese military influence has either supplanted Chinese authority or has become the dominating element.

Not the least of these British interests, adversely affected by the Japanese military occupation of Manchuria and extension of Japanese Army influence over five northern Chinese provinces, was the so-called British cigarette trust, formerly known as the British-American Tobacco Company, but in recently years re-named "Yee Tsoong Tobacco Company, Ltd." and "Yee Tsoong Tobacco Distributors, Ltd." (頤中) In previous years this British company, originally organized but the late J. B. Duke of the American Tobacco Company, contained considerable American capital and was largely managed by Americans, but in recent years the American interest has largely been liquidated, although several Americans, skilled in the tobacco trade, are still employed in the Shanghai and branch offices.

Prior to the Japanese occupation of the Northestern Chinese provinces, the British-American Tobacco Company (B. A. T.) monopolized the profitable cigarette trade of that region. It not only conducted an extensive selling organization, managed directly from the Shanghai head office, but it also operated large cigarette factories in Mukden, Antung and elsewhere which were controlled by a subsidiary known as British Cigarette Company, Ltd., which also had its head office in Shanghai. Another large concern, known as A. Lopato Sons, Ltd., controlled by the B. A. T. operated factories and dominated the Russian-style cigarette trade of Harbin and North Manchuria. With the exception of two small Japanese companies known as Toa and Manchukuo Tobacco Company, the operations of which were largely confined to the Japanese residing in

Dairen and the zone of the South Manchuria Railway, the B. A. T. controlled everything in Manchuria and its advance tax payments constituted an important source of revenues for the Chinese administration.

But trouble started within a few hours after the occupation of Mukden by the Kwantung army when the Japanese military authorities barricaded the Mukden warehouses of the B. A. T. and refused to permit the removal of cigarette cases until the Company paid its taxes to the new puppet administration which the Japanese had set up. The trouble in some form or other continued up to the present, the Japanese in the meantime having greatly increased the financial power and privileges of the Japanese competing companies. On that occasion the Japanese actually took steps to include Manchukuo within the scope of their government-owned and operated cigarette monopoly. It was rumored in the Japanese newspapers that this move was headed off when the British Government dispatched the so-called "Barnby Mission" to Manchukuo, the object of which was to counteract in some measure the damage done to Anglo-Japanese relations by the report of the Lytton Commission. Lord Barnby recommended British recognition of the puppet state. Later on when the B. A. T. re-christened its China company "Yee Tsoong," the Manchurian branch was re-named "Chi-Tung." (啓東) But the complications continued until this spring when the Japanese took definite steps to reopen and enlarge its Toa Company's factory in Tientsin and to open a large factory in Tsinan, capital of Shantung.

Whether it was this threat to invade the B. A. T's. cigarette "empire" in North China that was responsible for the capitulation in Manchuria is not known, but a report in the Tokyo *Nichi-Nichi- Shimbun* and other leading Japanese newspapers on July 29 stated that the B. A. T. (Chi-Tung) at Mukden and Lopato at Harbin, had decided to reincorporate their Manchurian interests on August 1 as Manchukuo "juridical persons," subject to Japanese-Manchukuoan laws. The "Chi-Tung" company, or B. A. T. at Mukden was incorporated as an Anglo-Japanese enterprise capitalized at Yen 52,320,000, while the Lopato subsidiary at Harbin which previously contained some Russian capital, was also incorporated as an Anglo-Japanese enterprise with a capital of Yen 3,500,000. The report stated that the new companies, "which supply Manchuria with 75 percent of its tobacco requirements . . . will cooperate with B. A. T. overseas (London) interests and import high-class tobacco for manufacture in Manchuria and also will sell Manchurian-produced tobacco . . . . this will be an epoch-making affair in the history of tobacco manufacture and marketing in Manchuria."

The Japanese press was enthusiastic over the deal, pointing out the politically and economically significant elements that the B. A. T's action constituted the first definite recognition of Manchukuo by a powerful world-wide company. They also called attention to the importance of the precedent established for other occidental firms in connection with the recent Manchukuoan action in abolishing exterritoriality. The *Nichi-Nichi* said, "The Manchukuo Government welcomes the action wholeheartedly because it will provide a good stimulant for foreign countries in that the B. A. T. will obey Manchukuoan taxation and other regulations . . . especially at this time when Japanese companies are demanding a temporary respite from Manchukuoan taxation and other regulations." Attention was also called to the fact that the Japanese authorities in their anxiety to bring about the deal with the B. A. T. had probably handicapped the activities of their own companies, Toa and Manchukuoan Tobacco Company, which probably would be forced to amalgamate in order to compete with "Chi-Tung" Tobacco Company, (Manchukuo) Ltd.

China Is Represented at Olympic by Seventy-two Athletes

The Olympic Games opened in Berlin Aug. 1 under happy auspices, despite a strained international situation. The Germans are outdoing themselves in showing hospitality, even the Nazi anti-Jewish program having been considerably relaxed for the occasion. Herr Hitler in a welcoming speech said:—"I am grateful to the International Committee for having assigned the XIth Olympic Games to Berlin, thus giving the Reich an opportunity to further the Olympic ideals. Germany has gladly accepted the task of preparing the Games, hoping thereby to strengthen the ideals of harmony among the nations."

Both China and Japan are well represented. China has 72 active athletes in the field. A message from Berlin Aug. 1 stated that the Chinese team had not been favored by luck in the draw for the handball and football competitions, since in the former contest it would meet such a dangerous adversary as Japan, while in the football competition the Chinese will face the representatives of the motherland of football, Great Britain, in the opening round. The Chinese footballers, however, were confident that they would give the Britons a good fight.

As the events progressed, the indications were that Americans would win more events than the contestants from any other nation. A feature of the third day's events was that Miss Helen Stephens, of Fulton, Missouri, broke the world record for women's 100 metre dash. Time, 11.4 secs.

In a well contested friendly game Aug. 2, the Chinese Basketball team defeated the Italian five by the score of 43-34.

The International Olympic Committee, sitting in Berlin, Aug. 1 by a vote of 36 to 27 (the latter secured by Helsingfors, Finland) decided to hold the next (XII) Olympiad in Tokyo.

The news of Japan's selection has created great enthusiasm throughout the country. It is announced from Tokyo that in addition to Yen 5,000,000 to be appropriated by the Ministry of Education, the Japanese Government will contribute Yen 10,000,000 for the improvement of athletic facilities in Japan. Of the total sum, Yen 12,000,000 will be spent to enlarge the Olympic Stadium and other facilities, while Yen 1,000,000 will be expended in subsidies to foreign athletes, to cover a half of their travelling expenses to Japan and back. The Meiji Shrine Stadium, already one of the largest in the world, will be expanded to seat 120,000 spectators. The work will take two years to complete and will cost Yen 10,000,000. The building of the Meiji Shrine Swiming Pool will also be enlarged to raise its seating capacity to 30,000. A new riding course will be constructed at Setagaya, in the western part of the city, while a new channel will be excavated in the upper part of the Arakawa River for the rowing events.

Scanning the Chinese Political Horizon

CHINA'S DIPLOMACY DURING THE PERIOD OF NATIONAL CRISIS

BY HUBERT S. LIANG*

JAPAN'S military occupation of the Three Eastern Provinces in September 1931 ushered in a period of national emergency in China. Most of the energy and thought of officials of the Chinese Government since that time have been directed with a view to meeting this unprecedented crisis. Inasmuch as China for various cogent reasons was not in a position to cope with the situation by matching military force against military force, she has had to rely upon another weapon in weathering the growing storm and that weapon has been diplomacy. The purpose of this article is to examine how this weapon has been wielded in the past five years and to what effect. And on the basis of what has happened it may be possible to suggest what are likely to be the lines along which China's diplomacy may move or should move during the next few months and years, especially in view of the likelihood of a war crisis developing between China and her aggressive neighbor unless, indeed, some miracle should intervene. At this writing, unfortunately, there are few peaceful signs to be observed on the Far Eastern political horizon.

It will be recalled that the immediate reaction in some quarters toward Japan's military seizure of Manchuria was a demand to break off all diplomatic relationships with the Island Empire hoping that by so doing other powers would follow suit. The National Government, however, chose a milder course, namely an appeal to the League of Nations, of which both China and Japan were then members. The upshot of this appeal was the appointment of the Lytton Commission and its report to the General Assembly definitely and unequivocally fixing the blame upon Japan as the aggressor, which finally caused Japan's withdrawal from the League. Two outstanding weak points were manifest in the League's armor: (1) America was not a member of the League and, therefore, whatever she had to do through the League had to be done in a circuitous fashion. (2) The "leg-pulling" policy of Sir John Simon, then the British Foreign Minister. The first weak point was partially made up by Secretary of State Henry L. Stimson's strong attitude, which was finally crystalized in the Doctrine of Non-recognition, a doctrine which to date has successfully prevented all but a small and insignificant central American state from extending recognition to the illegal gains of Japan in Manchuria.

America, though not a member of the League, apparently was prepared to go the full length in bringing the aggressor to book if she had but had the full backing and cooperation of the other powers, particularly Great Britain and France. But instead Great Britain through Sir John Simon did everything possible to pull, so to speak, America's legs from behind with the result that nothing effective was done to implement the Lytton Report or to check the aggression which meanwhile was rapidly continuing. Great Britain is today in a "strait-jacket" position in both Europe and the Far East, something for which she has Sir John Simon and his cynical policy of realism to thank. One cannot but wonder what a vastly different situation would have existed in Europe and the Far East today if a more statesmanlike man and a man of greater foresight and sagacity had been in Sir John's place at that time. Who can say that Japan would have dared to go forward in such an unrestrained manner with her program of conquest, if the League with the solid backing of Great Britain and France had really and boldly faced whatever consequences such a policy would have entailed? And who can say for sure whether Nazi Germany and Fascist Italy did not draw their inspiration from the utterly inept and impotent way in which the League dealt with the Manchurian crisis?

Disappointed and disillusioned, China realized, though somewhat belatedly, that she had to rely upon her own efforts to save herself. Thus, shortly after the League Assembly adopted the Lytton Report China dramatically announced her rapprochement with Soviet Russia much to the consternation of her enemies and the admiration of some of her friends. Just days before the announcement, Matsuoka, Japan's chief delegate to the League, had intimated in definite and unmistakable terms that he practically, "had Soviet Russia in his pocket." What a painful surprise it must have been to him, to hear Dr. W. W. Yen, representing China, and Litvinoff, representing the U. S. S. R., announce that formal diplomatic relations between these two countries had been resumed. The complete secrecy with which this agreement was negotiated and the brilliancy with which the affair was accomplished won for China almost universal praise and respect, even as did the unexpected and gallant defense of the 19th Route Army at Shanghai a year before. Unfortunately, for both external and internal reasons, this brilliant stroke of diplomacy was not quickly followed up by other acts which might have placed China and Soviet

*This is the fourth of a series of special articles on the Chinese political situation, domestic and foreign, by Professor Hubert Liang. The first of the series appeared in the July 18 issue of The Review.—Ed.

Russia on a closer and more cordial basis than they are at the present time.

In a desperate position, but striving to avoid war at all costs, China was forced to pursue the only course left open—a direct rapprochement with Japan. Sensing the unique opportunity for pressing his "silk-glove diplomacy" Koki Hirota, then foreign minister, made what was regarded in some quarters as a conciliatory speech welcoming the rapprochement. And the desperate Chinese Government was not slow to jump at the bait. Thus a period of "sincere" or "insincere" friendship was inaugurated. By national decree all sentiments and public manifestations that in any way reflected resentment against Japan were vigorously suppressed for fear that this new "sincere friendship" might be spoiled. Visits of goodwill delegations composed of business and industrial leaders were exchanged, paving the way for " economic cooperation" that was to redound to the benefit of both countries. Japan was even so thoughtful as to present the Chinese Government with 1,000 cherry blossom trees to be planted in China's capital as a constant reminder of Japan's friendship and solicitude for China. Then out of a clear blue sky came the thunderbolt of Dohihara's tragi-comical autonomy movement in North China, preceded by a series of demands calculated to deal a mortal blow at China's national sovereignty and administrative integrity.

Since then events have occurred which can hardly be called "manifestations of sincere friendship." Technically and in the phraseology of diplomats, China and Japan are still on "friendly terms," but actually they are not and they cannot be so long as this abnormal situation continues. What next turn China's diplomacy will take is difficult to say. All depends on Japan. As clearly indicated in Foreign Minister Chang Chun's report and General Chiang Kai-shek's declaration at the recent Second Plenary Session at Nanking, the Chinese Government still entertains the hope that the possibility of settling the Sino-Japanese situation through political and diplomatic means has not as yet been exhausted. But it is abundantly clear that these political and diplomatic means are rapidly approaching the point of exhaustion and, unless Japan stops short in her present program of aggression, diplomacy between the two countries looking toward a peaceful settlement of all the outstanding Sino-Japanese issues cannot have the ghost of a chance.

So far as Japan is concerned, what would delight her most would be to have China place all her foreign relations at the disposal of the Tokyo Gaimushu, and then detach herself from the rest of the world, in order that she could be completely devoted and loyal to Japan. But in the absence of such a curious arrangement whereby all Chinese diplomatic communications with the rest of the world would be routed through Tokyo, the Japanese diplomats and warlords designate all dealings with other nations as "playing one nation against another." Particularly was this true with respect to the recent silver agreement negotiated with the United States and the trade-barter arrangement with Germany.

But isn't it true that diplomacy, as practiced between nations since earliest times, has constituted a "playing of one nation against another," otherwise the use of the influence of one nation to checkmate another suspected of harboring aggressive designs. No nation has more skillfully employed this familiar method of diplomacy than Japan since she emerged from feudalism. Since the abrogation of the Anglo-Japanese Alliance, but particularly since 1931, Japanese diplomacy has been concentrated upon the blocking of an Anglo-American understanding on Far Eastern issues, otherwise the "playing of England against America and America against England."

So it has been with the diplomacy of all countries, Great Britain, Germany, France, United States and the U.S.S.R. Japan pretends to forget that China is an independent sovereign nation and, as such, is perfectly free to carry on her diplomacy in whatever way and with whatever countries may suit her own convenience and interests and the convenience and interests of the other countries concerned. Even assuming that Japan's gestures were entirely sincere, and granting that China and Japan were the best of friends, even this could not, in any way, prevent China from being friendly with other powers. But as Japan's gestures obviously have not been sincere, utilizing as she has the cloak of friendship to masquerade her aggressive designs and intrigue, then there has been all the more reason and justification for China's attempt to seek the friendship and help of other powers.

What follows in this article is an attempt to answer this pertinent question: What help can China expect from the various powers during this period of national crisis? Assuming that Diplomacy is bargaining dictated by fundamental national interests—a tentative definition of the term—let us proceed to discuss the possible help that China could hope for from the various powers. Japan's aggressive actions are the immediate cause of China's present national crisis, hence unless Japan should turn completely volta-face in her attitude toward China, it would be worse than futile to hope for any help from Japan in meeting this national emergency. Therefore China is forced to seek help from other powers, not necessarily against Japan, let us assume, but certainly with Japan prominently in mind. The powers from which China might hope to get help

in any significant degree are Germany, France, England, U. S. A. and U.S.S.R.

Let us discuss each possibility in the order mentioned:

Germany—There has been a good deal of talk about a German-Japanese alliance. Whether such an alliance is already an actuality it stands to reason that some sort of an understanding exists between these two countries and this understanding may easily lead to an alliance whenever necessity demands it. Both Germany and Japan are hostile to Soviet Russia and regard that country a potential, if not an actual, common enemy. On this ground, if on no others, Germany and Japan have a natural bond of sympathy and friendship. But this does not exclude China from getting help from Germany along commercial lines and along the line of technical personnel, at least for the present. The recently reported agreement between China and Germany looking toward an exchange of goods and raw materials between the two countries is a good illustration of this fact. In the event of a war between Soviet Russia and Japan, and on the assumption of the existence of a German-Japanese alliance, Germany may be forced to forego whatever commercial interest she may have in China, in order to appease her ally, especially should China choose to join with Soviet Russia against Japan. In the absence of such a war, China could expect certain help from Germany, so long as it was to her advantage and interest to extend such help. Whether or not there exists some form of alliance between Germany and Japan, the sensible attitude for China to assume should be one of friendliness toward Germany. It is assumed that German military officers employed in a technical capacity in China would be loyal to this country and not expose China's military secrets to Japan in the event of a German-Japanese alliance being concluded.

France—Because of the Franco-Soviet Pact and because of her own interests in the Far East, France cannot afford to go too far in supporting Japan's program of conquest in this part of the world. For this reason China could count upon a certain assistance from France in case of war between China and Japan, especially if Soviet Russia were to be found on the side of China and Germany on the side of Japan. The one consideration which China must bear in mind in treating with France is her colonial possessions and concessions in the Far East. So long as the status quo of these possessions and interests is not disturbed, French friendship may be counted upon.

Great Britain—At many points the interests of Great Britain and Japan are in direct conflict, and the most serious of these is their competition for markets in the Far East, particularly in China. When Japan seized Manchuria, the British Foreign Office under the inept and short-sighted leadership of Sir John Simon thought that Japan would stop at the Great Wall and would not disturb the British trade interests in China proper. Also, by being ingratiatingly friendly toward Japan at a time when Japan needed that friendship, Sir John Simon hoped that Japan would certainly reciprocate in due measure. For a time England even dreamed of concluding a deal with Japan by extending formal recognition to "Manchukuo" at the expense of breaking her own solemn pledge made at Geneva. But Great Britain finally realized how futile and inadequate such a policy would be in the protection of her interests in China, including Manchuria. It is likely that, following Sir Leith-Ross' return to England and after he has submitted his report, Great Britain may adopt quite a different policy. In that event, China might expect certain needed help from Great Britain, but in getting this help it must be borne in mind that the price China will have to pay will be at least enough to allow England to maintain, if not strengthen her status quo as far as her interests in this country are concerned. In other words, England, like most other countries, would only give such help to China as would be of benefit to her to do so. This would not prevent her from making certain concessions to Japan as well, for she still has India to think about. Even to date, there is a strong group in England who are always harping on the "good old days" of the Anglo-Japanese Alliance.

U.S.A.—By virtue of her vast wealth and resources and her industrial products along the line of machinery, airplanes and munitions and because of her lack of desire for territorial conquest (she has more territory than she needs and besides China is too far from her base anyway), the United States should be, in the long run, a good friend of China, whose help could be accepted without fear of territorial aggrandizement. The one obstacle in the way of getting substantial help just now is the psychology of "splendid isolation" that is being preached in that country. But even this isolationist attitude would not prevent China from getting certain assistance from the United States on a strictly give-and-take basis. The cotton and wheat loans and the recent silver agreement are eloquent illustrations. It is idle for China to expect any help from any country on purely altruistic grounds. Altruism and diplomacy are mutually exclusive and are fundamentally contradictory in terms.

U. S. S. R.—Basically the interests of the U. S. S. R. and those of China are not in conflict. Russia is a vast country with immense territory. Whatever fears China may entertain toward Soviet Russia, territorial aggrandizement, particularly in China proper, shouldn't be one of them. The philosophy and technique which Soviet Russia has adopted toward other countries, even subject countries, is vastly different from that of the so-called imperialistic powers. More than that, Japan's aggression represents for both China and Soviet Russia a common threat. Indeed, it is the conviction of many that Japan's attempt at conquest in China is but a prelude to a war with the U. S. S. R. On this ground and by the very nature of the situation, China and Soviet Russia are potential allies in a common cause. The candid opinion of many an impartial observer is that, should Japan press on with her program of aggression in China, she will more and more drive these two countries, China and Soviet Russia, into an ever closer relationship unless, indeed, China would be willing to accept the status of a protectorate of Japan—an exceedingly improbable supposition. Even in the absence of an aggressive Japan, China and Soviet Russia should be friends, situated as they are on the Asiatic Continent. It was political foresight and sagacity of a high order that prompted Dr. Sun Yat-sen to seek the cooperation of Soviet Russia for his revolutionary movement. Bungling statesmanship prevented the hopes of Dr. Sun from reaching full fruition. Has the time not arrived for both China and Soviet Russia to reconsider the whole situation and pursue a more enlightened policy, which would lead to a closer rapprochment between the two countries?

Such then is the international outlook for China. Has she the courage and foresight to strike out with a diplomacy that is at once active and positive which would lead her out of the present morass, or will she continue to hesitate and vacillate, and meanwhile steadily lose ground until she is completely engulfed and so shackled that she cannot but accept whatever fate her conqueror wills to impose upon her?

Japan, Alarmed by Anglo-Soviet Rapprochement, Seeks Friendship with Britain

TELEGRAMS from various European capitals during the week contained the information that Great Britain and Soviet Russia had reached a naval agreement "in principle". To this was added confirmed news from London that a £10,000,000 commercial credit had been granted to the Soviet Union. The credit is for ten years, with interest at five and one-half per cent. Political circles in London expressed the view that the conclusion of the negotiations is a sign of growing political rapprochement between the two countries. Further the opening of credits was welcomed by both trade and stock exchange quarters in the British Capital. According to the agreement, it is understood that the Soviet Government will draw up plans for orders to be placed with British firms during the course of the coming twelve months. Members of the London Stock Exchange declared the credits are fully justified by the necessity of increasing British exports, particularly in view of the saturation of the home markets.

What appears to be the most authentic account of what happened as regards naval matters was contained in a *Tass* message from Moscow, August 1, which stated that on the previous day, an agreement had been reached in London between the U.S.S.R. and England providing for a bilateral naval treaty. The British delegation recognized certain special conditions of the naval forces of the U.S.S.R., and accepted a number of Soviet demands. On its part, the Soviet Government made a number of considerable concessions with the object of reaching an agreement. In connection with the special geographic position of the U.S.S.R., and the fact "that as a result of civil war and intervention the navy of the U.S.S.R. was partially carried away and sold," the Soviet delegation introduced certain reservations to the text of the London Treaty. Firstly, the U.S.S.R. does not consider it possible to bind itself by undertakings of the Treaty regarding its naval forces in the Far East until an agreement has been reached between the U.S.S.R. and Japan on the question. The Soviet delegation further insisted upon exceptions on three technical questions connected with the special conditions of the development of Soviet shipbuliding. Finally, the Soviet Government made its consent to sign the treaty dependent on the acceptance by Germany of analogous treaty limits. It was mentioned that Anglo-German negotiations are being conducted simultaneously.

Telegrams from London stated that the British Delegation had emphasized that both England and the U.S.A. were in the same situation with regard to Japan as the U.S.S.R., and expressed the opinion that Japan would probably grant *de facto* observation of the clauses of the tripartite London naval treaty of 1936 (between England, France and the United States, and the terms of which are the basis for the present negotiations with the Soviets), despite her refusal to sign the pact. They also pointed out that Moscow's refusal to renounce the construction of 10,000 ton cruisers would probably start a naval armaments race on the part of both Japan and Germany, whose capacity for production is superior to that of the U.S.S.R.

As was to be expected, keen displeasure with the terms of the naval agreement reportedly concluded between the Soviet and British Governments was expressed in Tokyo. If the report is true, one official emphasized, then Japan will "keenly feel the necessity of strengthening her armaments". By concluding this agreement with Soviet Russia, he charged, Great Britain had defeated her own avowed aim of international disarmament. The Tokyo *Asahi* on the previous day had commented that there was "no other way to save China from the Bolshevist pressure than through Anglo-Japanese collaboration." British statesmen, the journal asserted, will see that Japan, and not Soviet Russia, is the only steadfast friend of Great Britain, and any number of of agreements, such as the Anglo-Soviet naval pact, "would not profit Britain as far as East Asia is concerned".

In the meantime telegrams from Tokyo indicated that Japan, in common with all the other prinicipal Powers, was continuing its policy of increasing its armaments. According to naval observers quoted in a *Domei* message from Tokyo July 31, the American Navy will consist in 1940 of 216 vessels, with a total tonnage of 1,225,000, all under-age, in addition to 54 warships, totalling 221,000 tons under construction under the terms of a ten-year shipbuilding plan. The British fleet at that time will number 192 men-of-war, with a total tonnage of 1,147,000, in addition to two battleships, five cruisers, nine destroyers and four submarines being built under the provisions of a five-year plan. Japan's navy in 1940, the observers emphasized, will include only 183 ships, with a total tonnage of 780,000, corresponding only to 64 per cent of the American fleet.

The *Tokyo Asahi* July 28 commented:—"In view of the fact that Japan and Great Britain, which have unshakable positions in the East and West of the world, maintaining traditional friendship, should promote their friendship all the more

and that the two countries have the heavy responsibility to maintain world peace in co-operation, the Japanese Government some time ago decided on the fundamental policy of friendship between Japan and Britain and instructed the Ambassador to London, Shigeru Yoshida, to approach various official and unofficial circles in Britain to sound possibilities in this direction. Ambassador Yoshida in his report to Tokyo stated that the Labor Party is generally opposed to Japan, characterizing Japan as a country of aggression and expressing sympathy for Soviet Russia. The Conservatives, however, hold views entirely opposite to the Labor Party. The Conservatives' traditional policy of endeavoring to realize Anglo-Japanese friendship remains unaltered. Ambassador Yoshida also reported that the British Government sticks to the point of maintenance of its vested rights and interests in China, recommends that the East Hopei-Chahar regimes be placed under the control of the Nanking Government, criticizes Japan's policy to establish spheres of influence in China, and adopts the attitude of urging Japan to reconsider her attitude.

In a second editorial the *Asahi*, August 4, advocated close co-operation with Great Britain in Oriental affairs. There is no denying, the paper declared, that a powerful section of public opinion favors Anglo-Japanese rapprochement, nor is there room for disputing the contention that co-operation between the two countries, "interested in the Far East more than any others", would not only benefit both nations, but would also contribute to the peace of the Far East. The daily, however, deprecated the view that the Anglo-Japanese rapprochement should be used to counteract other influences in the Orient, and asserted that co-operation between the two nations is significant only as a means for readjusting relationships with other countries interested in the Far East.

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The confidence which the world in general at present has in the success of the Soviet economic program certainly contrasts strongly with the situation as it existed about 15 years ago when Charles Evans Hughes, now Chief Justice of the U. S. Supreme Court, referred to Russia as "a huge economic vacuum." Present British opinion is largely reflected in a comment recently made by the London *Daily Express*, as follows: "How times change"! "Must we not admit that Russia is a country which has grown and strengthened so much that she must now be among the most improved in the world? Her Government one day may be among the good ones."

The Tokyo *Jiji*, July 25 printed a message from Shanghai stating that according to reliable information emanating from Italian sources in Shanghai, Germany and Italy of late had effected a rapprochement and agreed in their views to maintain a common Italo-German front in the Far East to drive out British influence from China. For this purpose the exchange of visits between German and Italian officials in China has become extremely frequent. This indicates that these officials are planning a joint front to advance on China. In their trade with China, it was said, Germany intends to reach an agreement with Italy regarding division of spheres, for instance, Germany exporting railway materials and machinery, while Italy furnished airplanes and other goods, to bring pressure to bear on Britain.

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Dr. Hitoshi Ashida, a member of the Japanese Parliament, writing in the August issue of *Nippon Hyoron*, discussed the foreign relations of Japan in a quite frank manner. One of the principal points he made is that Britain, once Japan's ally, is now lining up against the Island Empire. He discussed the Far Eastern situation as it was three decades ago, when London sought to check Russia's advance eastward by a close working arrangement, and eventually an alliance with Japan. Now London is pursuing just the opposite policy, namely to combat Japan's policy in China by working in concert with the Soviet Republic in concert with China itself. As regards naval problems, Dr. Ashida said Britain is turning to the United States as its informal ally in the Pacific. The conclusion which the writer came to was that Japan could not afford to antagonize all neighboring Powers, but would have to seek friendship somewhere. On the whole, Dr. Ashida felt that of all international relations which the Japanese Empire had since the Meiji Restoration, those upon which the Empire could reflect with the kindliest regards were those with Great Britain. Dr. Ashida said British concern due to Japan's advance revolved mainly on the two points of how Britain may prevent its national interests in China and Siam from being threatened by Japan's advance, and how Britain's naval defense in the South Seas, Malay Peninsula and Australia may become relatively weakened due to the expansion of the Japanese Navy.

The following problems, said the writer are bound to have an important bearing upon Anglo-Japanese relations in the future: (1) How can Japanese and British interests in the Far East, particularly in China, be adjusted?; (2) How far are the two nations willing to compromise for the solution of the problem of conflicting interests in foreign trade with British Dominions and other nations?; (3) What is the method for arriving at a naval agreement?

The three points enumerated, he continued, particularly the first and third, are a part of Ja-

pan's fundamental national policy and have an important effect upon Japan's relations with other Powers. From the consideration of national policy as a whole, Dr. Ashida expressed the opinion that it is extremely dangerous for Japan to make Great Britain, the United States and Russia its enemies; he pointed out that Japan is now pressed by the necessity of formulating an appropriate policy to avoid such a predicament and he felt sure that a new aspect might be found on the point of contention between the two countries by a frank exchange of opinions and by discovery of a common ground, although it might never markedly improve their relations.

Kwangsi Rebel Leaders Reported Ready to Retire; Japan Stages Grand Naval Maneuvers Off Fukien

HIGH LIGHTS IN THE EVENT OF THE WEEK:

1. **Collapse of Kwangsi Army Seen Approaching as Officers Desert.**
2. **General Chiang Makes Final Peace Appeal to Generals Li and Pai.**
3. **Large Sector of Kwangtung Reported Occupied by Kwangsi Troops.**
4. **Government Troops Close In on Kwangsi From Three Directions.**
5. **New Kwangtung Provincial Government Officials to Take Office August 10.**
6. **New Twenty-One Demands to China by Japan Reported in Kwangsi Paper.**
7. **Japanese Fleet Stages Large-Scale Maneuvers Off Fukien Coast.**
8. **Gen. Sung Says North China Foreign Affairs Should Be Handled by Nanking.**

Alarmed by the rapid advance of Central troops into Kwangsi, Generals Li Tsung-jen and Pai Chung-hsi, the two Kwangsi warlords, have decided to resign their posts, according to *Domei* Aug. 5. This decision, *Domei* said, was reached on Aug. 3, at a conference of high Kwangsi military officials at the headquarters of the Fourth Group Army in Nanning. The conference was convened by Generals Li and Pai, as reports of the Central troops' advance began to pour in from the provincial borders of Kweichow and Hunan. Another reason for the convocation of the meeting was the receipt of a sternly-worded "final" order from Gen. Chiang Kai-shek, President of the Executive Yuan, to submit to the orders of the Central Government. The two warlords, however, made their submission to the Nanking Government conditional on the following terms:

Gen. Li Tsung-jen

1. Gen. Li Pin-hsien, chief of the Kwangsi General Staff, to be made Pacification Commissioner of the Province, and Gen. Hsia Wei, commander of the Kwangsi troops operating in Kwangtung, be appointed Deputy Pacification Commissioner.

2. No personnel changes will be made by the Central Government in the Kwangsi Army.

3. The Central Government will not station any troops in Kwangsi, and no Kwangsi troops will be reorganizated or transferred to other points.

4. The Central Government will permit Generals Li and Pai to travel abroad, supplying them with the necessary funds. These terms were taken to Kuling Aug. 3 by Gen. Li Pin-hsien for communication to Gen. Chiang.

COLLAPSE OF KWANGSI ARMY SEEN AS OFFICERS DESERT

Beginning of a collapse of the Kwangsi Army, through desertion of its officers, was seen Aug. 4 by political circles in Hongkong in the failure of Gen. Chang Jen-min, chief of Staff of the Kwangsi forces, to return to his post, reported *Domei*. Despite the pleadings of Wang Sun-chih, a special envoy of Generals Li Tsung-jen and Pai Chung-hsi, the Kwangsi warlords, Gen. Chang has decided to remain in Hongkong because of his aversion to civil warfare and his desire to support the Central Government. Another well-known Kwangsi officer in Hongkong is Col. Pai Wei-yi, a nephew of Gen. Pai Chung-hsi and Commander of the Kwangsi Military Aviation School, who has ignored repeated orders to return to his post.

Gen. Pai Chung-hsi

Mai Huan-chang, member of the Central Supervisory Committee and a close subordinate of General Li, has also deserted Wuchow, eastern Kwangsi, and escaped to Hongkong.

General Huang Hsu-chu, Chairman of Kwangsi, is reported to have also joined the opposition and departed for Hongkong. A large number of the junior officers of the Kwangsi army, who are opposed to the rebellious movement, have been detained by order of Generals Li and Pai.

Gen. Hsia Wei, Commander of the 15th (Kwangsi) Army, who is oppsoed to civil strife, has telegraphed to Generals Li and Pai, requesting them, for the sake of the public welfare, to stop their military activities, according to a *Kuo Min* message.

Madame Pai Chung-hsi, wife of the second-in-command of the Kwangsi forces, has arrived in Hongkong with children and other members of the family together with more than 30 pieces of luggage, *Central News* reported Aug. 3.

GENERAL CHIANG MAKE FINAL PEACE APPEAL TO KWANGSI REBELS

A personal appeal for co-operation, couched in the sincerest terms and clarifying any possible misunderstandings regarding their new appointments, was dispatched by Gen. Chiang Kai-shek, President of the Executive Yuan, to Gens. Li Tsung-jen and Pai Chung-hsi, the Kwangsi leaders, on Aug. 1, according to *Central News*. "Rumors have been flying thick and fast that you were contemplating the establishment of an autonomous military government on Aug. 1," Gen. Chiang's wire began, "but these reports seemed be me incredible. Now that Aug. 1 is here, and the rumored independent government has not materialized, thus convincing me that your patriotism after all would not let you write a humiliating chapter in the history of our Revolution." In order to dispel all misunderstandings, Gen. Chiang said, he would explain the two points which they (Gens. Li and Pai) had raised regarding their new appointments, namely ulterior motive and contradiction with the decisions of the Second Plenary Session of the Cetral Executive Committee.

Regarding the first point the Generalissimo disavowed any ulterior motive in appointing Gen. Li Tsung-jen a member of the Standing Committee of the Military Affairs Commission and Gen. Pai Chung-hsi chairman of Chekiang. The only motive, if there was any, Gen. Chiang explained, in giving them the new appointments was on the one hand to extricate them from the difficult position they had pulled themselves in Kwangsi and on the other hand to effect a fundamental unification of Party and nation. Turning to the second point, the Generalissimo explained that the decisions of the Second Plenary Session to reappoint them the highest pacification officials of Kwangsi had not been complied with on their part. This naturally was interpreted, Gen. Chiang said, as their realization of the difficulties to rehabilitate the province. Hence the new appointments, Gen. Chiang explained. But it was following the decision to give them the new appointments that their telegram arrived signifying their readiness to assume the posts as Pacification Commissioners. Continuing Gen. Chiang hoped that they would respect prevailing public opinion and proceed

to Chekiang and Nanking to assume their new posts. The entire people, Gen. Chiang added, are one hundred per cent opposed to further internecine warfare, and it was therefore to be regretted that reports have reached the public that they were determined to invade Kwangtung and Hunan. In conclusion, Gen. Chiang said that he was planning a trip to Canton in the near future and expressed the hope that they would meet there and personally thresh out all misunderstandings.

General Chiang Kai-shek has issued an ultimatum to the Kwangsi leaders demanding a "clarification of their attitude" before Aug. 5, according to a *Reuter* report from Canton Aug. 2. Otherwise, it is stated in the ultimatum, a punitive expedition will be launched against them.

GEN. CHIANG PROPOSES TO MEET GENS. LI AND PAI AT CANTON

General Chiang Kai-shek is believed to have suggested that he should meet the Kwangsi warlords, Generals Li Tsung-jen and Pai Chung-hsi, at Whampoa, near Canton, to discuss the issues outstanding between them and the Government. They, however, have made a counter-suggestion that the meeting should take place at Hongkong. If Gens. Li Tsung-jen and Pai Chung-hsi should show sincerity in their repentance for their misdeeds, Gen. Feng Yu-hsiang, vice-chairman of the Military Affairs Commission, who is now at Kuling, may accompany Generalissimo Chiang Kai-shek on the latter's forthcoming air trip to Canton, the *Morning News* in Nanking reported Aug. 4.

KWANGSI INVADERS OF KWANGTUNG REPULSED

With large units of Kwangsi troops rushed to the Kwangsi-Kwangtung border during the past several days, the first clash of the two opposing forces was reported to have occurred July 31 at Fengchuan, about 15 miles inside the Kwangtung boundary, reported *Central News* Aug. 1. A unit of over 1,000 Kwangsi troops made a surprise attack on Fengchuan shortly after 5 a.m. but were repulsed by Kwangtun troops of the 14th Division under Commander Chen Chang. Large forces of Kwangsi troops are massed at Kweihsien, Yulin and Luchuan on the eastern Kwangsi border with the objective of invading Chinhsien and Lienchow on the extreme western tip of Kwangtung near the coast. Kwangsi's aim to capture Chinhsien and Lienchow, according to military observers, is to seek an outlet to the sea.

Reuters reported that five Kwangsi regiments launched a surprise attack on the Kwangtung border near Fengchuen on the night of July 30 and at dawn the following day clashed with Kwangtung troops loyal to the Central Government. The invaders were repulsed, but attacked again desperately. Fighting continued all day.

Central Government troops are now taking part in the military operations against Kwangsi, reported *Reuters* Aug. 3. They are advancing on Chuanchow, in the north-western corner of Kwangsi, about 10 miles from the nearest point on the Hunan frontier. The capture of Chuanchow would open the way to Kweilin, the principal city in north-west Kwangsi, the occupation of which would be of considerable value from a strategic point of view.

LARGE SECTOR OF KWANGTUNG REPORTED OCCUPIED BY KWANGSI TROOPS

A large sector of Kwangtung is now in the possession of Kwangsi troops commanded by Gen. Hsia Wei, *Domei* reported Aug. 3. After capturing Sunyi on July 31 and Maoming Aug. 2, Gen. Hsia has established a curved line, running from east to north. Large forces of Kwangsi throops are now being rushed from the province to reinforce his Army of 5,000 men.

The disposition of the Kwangsi troops, according to *Domei* is as follows: the First Route Army, under Gen. Liao Lei, is stationed in the vicinity of Moping, in the central part of the province; The Second Route Army, commanded by Gen. Li Pin-hsien, is camped in the vicinity of Kweilin; the Third Route Army is stationed at Wuchow and Yulin; and the Fourth Army in Paishai. The Fourth Army is the one now advancing into southwern Kwangtung, with the rest awaiting marching orders.

GOVERNMENT FORCES CLOSE IN ON KWANGSI FROM THREE DIRECTIONS

The Central troops continued Aug. 4 a major offensive upon Kwangsi from three directions, according to *Domei*. The offensive began on Aug. 2, when 20,000 troops, led by Generals Liu Hsin, Kuo Su-yen, and Ho Mong-lin, crossed the Kweichow-Kwangsi border and captured Liu Sai, a Kwangsi strong-hold, after a brief clash. The Kweichow forces continued to advance towards Nantang, successfully overcoming resistance by Kwangsi troops. General Ku Chu-tung, Chairman of Kweichow, has meanwhile ordered General Yu Kuo-tsai who has his headquarters at Li Pu, close to the Kwangsi border, to reinforce the Kweichow armies attacking Nantang. General Ku himself has already left Kweiyang for Li Pu, to take personal command of the troops at the front.

Meantime unable to withstand the pressure of General Hsieh Yueh's forces, which crossed the Hunan border on Aug. 2 the Kwangsi troops withdrew from Huangshaho, between the border and Chuanchow, important military base. The retreat of the Kwangsi army was necessitated by the bombing of Hsinan and Chuanchow by ten Kwangtung airplanes. The Fifty-First Division of the Kwangsi Army, which has been stationed in Hunan since last month, was routed on Aug. 2 by Hunan troops, commanded by General Chen Chu-chen. General Hsieh and General Chen are now both leading their columns towards Chuanchow, the capture of which would clear the road to Kweilin.

Another minor clash between Kwangsi and Kwangtung troops occurred on Aug. 2 at Mushuangchu, a Kwangtung border town, when Kwangsi troops launched a surprise attack on the city. Two divisions of Kwangsi troops, originally stationed at Wuchow, have received orders to move to Huaichi, to the northeast of Wuchow, with the intention of invading Kwangning, which is about 75 miles northwest of Canton.

Wuchow has been thrown into great confusion by the issuance of an order enforcing conscription. Kwangsi troops have been seen during the past two days and nights digging deep trenches at Chilungchow, a short distance west of Wuchow. More than 3,000 troops have arrived at Yungchu, 12 miles southwest of Wuchow, and are billeted in various shops and people's houses.

About 4,000 Kwangsi vanguards arrived at Tucheng, a point 25 kilometres from the Kwangtung border, on Aug. 2, according to *Central News*. Wuchow is now virtually an armed camp with no less than four divisions of Kwangsi troops concentrated there ready to sally forth into Kawngtung on the West River.

KWANGSI ARMY TOTALS ONLY 50,000 STRONG

The standing army of Kwangsi totals only 50,000 officers and men, equipped with a handful of air-planes, according to a *Kuo Min* message. Generals Li Tsung-jen and Pai Chung-hsi, the two rebel leaders of Kwangsi, are relying chiefly on the 100,000 militia units, but the latter are reported to be determined not to participate in internecine warfare.

In addition to the 7th and 15th Armies, it is reported that Generals Li Tsung-jen and Pai Chung-hsi have ordered the organization of two new armies, namely, the 8th and 9th Armies; Lieut.-Generals Li Pin-hsien and Yang Chen-hsien have been appointed the respective Commanders.

Pending the acceptance by General Pai Chung-hsi of his new post as Chairman of Chekiang, General Huang Shao-hsiung will returtnto Hangchow to attend to his duties as usual, according to *Central News*. General Huang, who was given the post as Pacification Commissioner for Kwangsi, has decided not to proceed to Kwangsi for the time being.

NEW KWANGTUNG GOVERNMENT OFFICIALS TO ASSUME OFFICE AUG. 10

Gen. Huang Mu-sung, newly appointed Chairman of Kwangtung, left Nanking for Canton on the 5th instant to assume his duties. Members of the reorganized Provincial Government, will be officially sworn in on August 10th. Gen. Huang will proceed to Canton by air, accompanied by his secretary-general and Liu Wei-chih, the new Reconstruction Commissioner.

Suppression of gambling and opium, two great social evils in Kwangtung, will be one of the most urgent tasks facing the new provincial government, declared General Huang Mu-seung at Nanking Aug. 1.

EX-GOVERNOR OF KWANGTUNG FLIES TO KULING TO SEE GENERALISSIMO

Lin Yun-kai, former Chairman of Kwangtung and newly appointed Chairman of the Mongolian and Tibetan Affairs Commission, left Shanghai by airplane Aug. 4 for Kiukiang an route to Kuling to interview General Chiang Kai-shek. Mr. Lin was accompanied by Liu Chi-wen, former Mayor of Canton, and Huang Lin-shu, representative of General Chen Chi-tang, the deposed commander of the Kwangtung forces.

MILITARY AND PARTY ADMINISTRATIONS TO BE REORGANIZED

A thorough reorganization of the Kwangtung Army will be shortly undertaken by Gen. Yu Han-mou, the newly appointed Pacification Commissioner for the province, *Domei* reported Aug. 3. The five existing armies will be reorganized into ten divisions and two brigades, with a division made the standard military unit.

Simultaneous with the rehabilitation of political and military affairs in Kwangtung, the Central authorities have decided to send Chen Li-fu, member of the Standing Committee of the C.E.C., to Canton to overhaul the Party machinery of the province. Mr. Chen will leave for the South in a few days.

General Chen Ching-yun, newly appointed Commander of the Canton Air Force, has arrived at Canton from Nanchang to take up his appointment.

Tai En-sai, the newly-appointed Superintendent of the Canton Customs, who was until recently Superintendent of the Amoy Customs, arrived at Canton July 30 from Amoy via Hongkong to assume his new duties. Yen Kan-tang, new Director of the Kwangtung Provincial Telegraph Administration, also arrived from Shanghai.

CHEN CHI-TANG SUBORDINATES ON WAY TO FRANCE

Despite reports that Gen. Chen Chi-tang, the deposed Kwangtung warlord, had left Hongkong for a trip abroad, investigation reveals that he is still in the Colony.

It is, however, reported that Lin I-chung and Ou Fang-pu, former Provincial Commissioners of Civil Affairs and Finance for Kwangtung, have sailed for Saigon on the French liner *Marshal Joffre* en route to Kwangsi via Haiphong to participate in the rebel activities. Chen Wei-chou, brother of Chen Chi-tang and former Salt Commissioner for the Liang-Kwang District, is also reported to be leaving for Nanning.

Kan Chieh-hou has been reappointed Commissioner of Foreign Affairs for Kwangtung and Kwangsi by the Central Government, reported *Central News* Aug. 3.

To unify tax collection in Kwangtung a general tax collecting office has been organized by the Kwangtung Provincial Department of Finance with Cheng Tze-hsieng as director.

"IZVESTIA" COMMENTS ON THE SOUT HCHINA SITUATION

In connection with the defeat of the South China generals, the "Izvestia" on July 29 wrote:

"This issue is significant in many respects. The southern Chinese generals acted under the banner of the struggle with Japan. But their defeat in no way means the defeat of the anti-Japanese ideas by which they were allegedly led. On the contrary, the failure of this attempt to earn political capital by means of an anti-Japanese movement is explained primarily, just by the fact that the actions of South China, not only in reality was not directed against Japan, but directly favoured the Japanese plunderous plans. This fact was realized in time by Chinese public circles. This provocation failed also, because in the eyes of the entire Chinese nation the anti-Japanese campaign of the southerners showed as a screen for the mercenary, semi-feudal provincial separatism of the local military cliques, whose victory would still greater weaken China, and would be advantageous only for the Japanese imperialists.

JAPAN FOREIGN POLICY SAID AT TURNING POINT

Much significance is attached to an important report appearing in the Aug. 4 issued of the Tokyo *Nichi Nichi* stating that a re-orientation of Japan's foreign policy is being considered by the Hirota Government. Instead of adhering rigidly to the principle of maintaining friendly relations with all countries, Japan will henceforth discontinue her conscientious efforts at establishing close contact with those nations with which intimate relations are not necessary, the *Nichi Nichi* reports. Japan's foreign policy towards China will be framed in the above spirit, it being the conviction of Tokyo that the economic exploitation of North China and equal opportunity for all nations in South China must be maintained at the same time. To remove the apprehension of other Powers, Japan will continue to respect the acquired rights and privileges of these countries in China, especially Great Britain and the U.S.A. In the meantime, reports of the growing friendliness between Great Britain and the U.S.S.R. are receiving serious attention in Tokyo. The possibility of a revival of the Anglo-Japanese accord is given much discussion in the press.

A spokesman of the Ministry of Foreign Affairs officially denied Aug. 4 that the Waichiaopu has instructed Hsu Shih-ying, Chinese Ambassador to Japan, to inform the Japanese Foreign Office that the recent peaceful settlement of the Liang-Kwang situation will bear no effect on China's foreign policy.

Opinion that Hachiro Arita, Foreign Minister, should ask the Central Government for collaboration in the settlement of the problems of North China was expressed by influential political observers in Tokyo July 30, according to *Domei*. As a result of the second plenary session of the Kuomintang's Central Executive Committee and the Kuling deliberations, the Nanking Government appears to be ready to expand its influence in North China, these observers declared. The Japanese Government, they added, should, therefore, inform the Chinese administration of its policies, before Nanking embarks on a campaign to strengthen its grip on the northern provinces. Such a move, they said, would contribute towards the "removal of unnecessary jealousy on the part of China".

CHINA'S UNIFICATION NOT FEARED BY NIPPO

Advice to part with their fears that China's national unification would result in the strengthening of anti-Nipponism was given Aug. 4 by the *Shanghai Nippo* to "some overly nervous Japanese". "Some Japanese", the journal declared, "fear that China's advance towards national unity would lead to the creation of an anti-Nipponese front. These would do well to understand that China is too busily engaged in domestic issues to expend her energy against Japan."

The main body of the editorial was devoted to a review of Gen. Chiang Kai-shek's efforts to achieve national unification.

"It is well within reason", the Nippo declared, "that Gen. Chiang will succeed in his plans to effect national unification, China is, without doubt, on her way to the status of a modern state.

"China's outcry for stronger national defense is an evidence of her long strides towards unity".

NEW 21 JAPANESE DEMANDS REPORTED IN KWANGSI PAPER

A set of 21 new demands has been submitted to the Nanking Government by the Japanese, according to Kwangsi *Laichow Jih Pao* July 17.

The demands are:

1. China should extend recognition to Manchukuo, but in order to save "Nanking's face", a time limit has been given to Nanking to reconsider the matter, during which the latter must do all she can to suppress the Anti-Japanese movement in China and to effect co-operation between Japan, Manchukuo and China.
2. A special area to be formed in the provinces of Shantung, Chahar, Hopei, Honan, Suiyuan and Shansi in which the following system should be adopted:
   (*a*) All officials in this area must be of pro-Japanese inclinations.
   (*b*) Economic co-operation between China and Japan in this area.
   (*c*) Japanese advisors be enlisted.
   (*d*) The educational system in this area must be readjusted in accordance with instructions from the Japanese.
3. The five Provinces along the coast (Fukien, Chekiang, Kwangtung, Kwangsi and Kiangsu) be made a Sino-Japanese "friendly area" in which pro-Japanese measures should be adopted by the authorities.
4. The Northwestern Provinces, such as Kansu, Chinghai and Hsinkiang, be made a "pacification area" in which Chinese troops should do their utmost to suppress the Communists with assistance from the Japanese.
5. That the Kuomintang should adopt a more pro-Japanese policy.
6. While the Japanese Government fully recognized the influence of the Nanking Government in the Provinces of Yunnan, Szechwan and Kweichow, the Japanese will not tolerate any anti-Japanese military preparations in these provinces.
7. The Kiangwan and Woosung area in Shanghai be made a Japanese Concession.
8. That defensive work along the coast be handled by the Japanese.
9. That negotiations between Nanking and Sir F. Leith-Ross be suspended immediately.
10. That the economic system in the provinces of Hopei, Shantung, Shansi, Chahar and Suiyuan be made independent from the Nanking Government.
11. That China should withdraw from the League of Nations.
12. That China should extend formal recognition to Manchukuo.
13. That an economic bloc be formed by Japan, China and Manchukuo in the Far East.
14. That military defensive work along the coast provinces be removed.
15. That business between Manchukuo and China be handled by the Manchukuo authorities.
16. That the Anti-Japanese movement in China be suppressed immediately.
17. That the Military Affairs Commission be abolished.
18. That General Chang Hsueh-liang be dismissed.
19. That Japanese assistance should be accepted in the Anti-Communist campaign in China.
20. That Japanese experts be permitted to participate in the session held by the Kuomintang.
21. That China should abandon her policy to obtain assistance from the United States of America.

JAPANESE FLEET STAGES GRAND MANEUVERS OFF FUKIEN COAST

A part of the Japanese combined fleet now engaged in maneuvers off the Formosa coast will pass by Amoy an August 5 in continuation of the big naval "sham battle", *Central News* repored Aug. 1. In order to avoid possible misunderstandings or unwarranted apprehension among the people in the coastal towns, the Japanese naval attache at Amoy has duly notified the Chinese authorities to the effect. A total of over 70 Japanese warships of various categories and approximately 28,000 men and officers, will take part in the large scale maneuvers. The area of operations will extend from the fortified port of Keelung in Northeastern Formosa in the north to a distance of over 3,000 nautical miles southward, while horizontally it will extend from the environs of Amoy to over 2,000 nautical miles beyond the China coast. The annual grand naval maneuvers opened Aug. 1. The Combined Fleet, Commanded by Admiral Sankichi Takahashi, will play the part of foe, while the newly organized Fourth Fleet, headed by Vice-Admiral Koichi Shiozawa, Commander of the Maizuru Naval Station, will defend Nippon's shores. The Fourth Fleet will be dissolved immediately after the maneuvers. Its Commander served in Shanghai at the head of the Eleventh Squadron in 1932, during the Sino-Japanese hostilities. The Combined Fleet is now in Keelung, Formosa, whence it will leave for Amoy on Aug. 5, for a brief visit. Interviewed by *Domei* July 31, Admiral Takahashi said that the visit would serve the two-fold aim of acquainting the Navy with conditions in South China and giving the Chinese a favorable impression of the Japanese Navy.

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Japanese Treasury and Army at Odds Again Over Funds

The Japanese Treasury and the Army Aug. 3 resumed their perennial dispute over the amount to be appropriated for national defense in the next fiscal year, and the means of finding the needed funds. During his greatly delayed trip to the Ise Grand Shrine last week, to report his appointment to the Cabinet, Gen. Count Hisaichi Terauchi, War Minister, twice informed the nation that the Army's budget would have to be increased by Yen 3,000,000,000 in the next six years.

This immense sum, the War Minister asserted, would have to be raised through the issuance of "red in" bonds. Dr. Eiichi Baba, Finance Minister, who was selected for his post at the suggestion of the Army, has followed in the footsteps of Korekiyo Takahashi, his predecessor at the Treasury assassinated by mutineers on Feb. 26, in opposing an excessive issue of bonds to cover budgetary deficits.

Further Changes Made in Japanese Army Personnel

Important additions to the list of officers affected by the drastic Army reshuffle were revealed in Tokyo Aug. 1, with the issuance of a special communique by the War Office. Prominent among those placed on the retired list was General Giichi Nishi, who succeeded Gen. Jyotaro Watanabe, murdered by military mutineers on Feb. 26, at the head of the Inspectorate-General of Military Education. Gen. Nishi served in his new, extremely important, post for less than three weeks, when he collapsed of a stroke, while addressing the graduating class of the Military Cadet School. He has been confined to the sick bed since.

Army Wants Cabinet to Carry Out Reforms

Holding that the Army has carried out its promise to put its house into order by effecting a through-going reshuffle, high military officials are reported by the *Nichi-Nichi* to be calling on the Cabinet to execute drastic administrative reforms. The Government's three-point program, these officers said, should include a clean-out in the Army ranks, administrative reforms and a replenishment of national defense.

Army Announces More Sentences for Mutineers

New sentences for the officers who participated in the mutiny of Feb. 26 were announced July 31 by the War Office in a special communique. The heaviest punishment was meted to Infantry Captain Ichitaro Yamaguchi, of the First Regiment of the First Division, who was given life imprisonment for actively aiding the mutineers.

Miscellaneous Goods Now Represent More Than Half of Japan's Export Trade

Japan's foreign trade has now reached the turning point, with the exports of staple products checked in advance by restrictive measures adopted by foreign countries, and the exports of miscellaneous goods showing a steady increase, the *Chugai Shogyo*, leading commercial daily, declared Aug. 3. The journal noted that the exports of eight major staple products, including raw silk, silk fabrics, cotton yarns and textiles, knitted goods, wheat flour and canned and bottled provisions, are showing a "comparative loss." On the other hand, the paper asserted, the miscellaneous goods, such as iron and iron goods, machinery and accessories, woolen goods, glass, glassware and other finished commodities now account for more than a half of Japan's total exports.

The Japan Cotton Industry Federation recently conducted an investigation into the effects of the measures of import prevention taken by the Powers against Japanese cotton cloth during the first six months of this year. It was ascertained that during the initial six months Japan's total cotton cloth exports showed a 4.7-per cent decline compared with the corresponding period of last year. Some 45 markets adopting direct import restriction measures like the British Empire bloc caused a 10.6-per cent decline. Some 31 markets, which adopted an indirect import restriction policy like the South American countries adopting the barter trade principle, were responsible for a 24.5-per cent decline. Some 50 markets without any restrictions whatever represented a 20.5-per cent increase.

Scrap Iron "Famine" Leads to Lifting of Import Ban

A scrap iron "famine" in Japan has led to the removal of the 56-month ban on the imports of the metal into Japan. The decision to this effect was reached July 20, at a joint meeting of representatives of the Nippon Iron Manufacturing Company, a Government-sponsored concern, and the Pig Iron Sales Guild, which combines importers of iron. The recent climb in the price of pig iron and world-wide military expansion, creating a heavy demand for iron, were given by the conferees as additional stimuli for the decision.

Japan Firm Signs Contract With Philippine Iron Firm

A contract for the importation of 500,000 tons of iron ore during this year has been concluded between the Japan Iron Manufacturing Company, a semi-Government firm capitalized at Yen 36,000,000, and iron interests in the Philippines. Last year the Japanese firm imported 250,000 tons of ore from the Islands.

Japan's Textile Exports to Philippines Show Drop

A marked drop in the exports of Japanese cotton textiles to the Philippines was registered in the first half of this year, as compared with the corresponding period of 1935, Kiyoshi Uchiyama, Consul-General in Manila, reported to the Gaimusho July 29. The drop, which followed the conclusion of the Japanese-American gentlemen's agreement for the division of the Philippines' market, was paralleled by a gain in the exports of American textiles to the Islands, the report added.

Tokyo Treasury Revenues Show Gain Over Budget

Jubilation reigned in the Finance Ministry July 31, as its officials, having balanced the books for the 1935-36 fiscal year, discovered a surplus of Yen 70,000,000 over the budgetary estimates.

Permit Given Build to Whale Depot-Ships

Permission to build two whaling depot-ships, to be added next season to two others ships operating in the Antarctic Ocean this year, was granted by the Tokyo Government July 31. While last year, only one depot-ship operated in the whaling waters a rushing business was done this season by two service-ships, each serving from five to eight whalers.

Syria-Japan Trade Agreement Provides for Mutual Low Tariffs

An agreement providing for the continuation of the present low Syrian tariffs on Japanese goods, in exchange for which Japan will restrict her exports to Syria and purchase a larger amount of raw materials in the latter country, was concluded between the Syrian Government and the Japan Association of Exporters to Africa and the Near East Aug. 4.

Japan's Silk Exports Show Drop During Last Six Months

A drop of 25.9 per cent in the amount of raw silk exported abroad during the first six months of this year, as compared with the corresponding period of last year, was reported by the Nippon Central Silk Society, Aug. 4. The largest drop was in the shipments to the United States, which decreased by 56,558 bales, or 27 per cent. Exports to Europe fell by 7,120 bales, or 20.5 per cent, and the consignments to other parts of the world decreased by 2,078 bales, or 22.6 per cent.

Kanegafuchi Spinning Co. Imports Sheep from New Zealand

Shingo Tsuda, president of the Kanegafuchi Spinning Company, inspected the huge flock of sheep imported from New Zealand at Pier No. 1 in Kobe July 30. He told reporters that the Kanebo, as the company is called for short, plans to establish sheep farms in 10 different places in the six prefectures of Tohoku and Nagano prefecture on a 10-year plan, appropriating a total of Yen 2,000,000 or Yen 200,000 a year. In one farm 1,000 sheep on the average will be kept and two or three head will be lent to each farmer of the neighborhood.

The sheep just imported from New Zealand will be made the nucleus for the large stock which Kanebo seeks to keep in hand. These will be cross-bred with the six species of sheep to be gathered from the Mongolian region shortly at the Beppu farm and then distributed to the different farms in accordance with the suitability of the species to the climate of each farm.

Charcoal Automobiles to Be Used in Japan

Automobiles, propelled by energy received by burning charcoal, will soon be in vogue in Japan, with the blessings of the military and civil authorities. The War Office has already announced its approval of the new automobiles, which can be manufactured at a cost of Yen 500, with the fuel expenses amounting to about one-fifth of the bills footed by owners of gasoline-driven vehicles.

Japan, Korea, Formosa and Manchuria Baseball Teams Compete in Tokyo

Teams representing Kobe, Moji and Kawasaki cities Aug. 1 scored wins over rival nines in the second-day encounters in the Inter City Baseball League, in which squads from Japan, Korea, Formosa and Manchuria took part.

Minami Succeeds Ugaki as Korean Governor

Gen. Jiro Minami, the highest ranking officer in the Imperial Army, was appointed Aug. 4 to succeed Gen. Kazunari Ugaki as Governor-General of Korea. Gen. Ugaki, the perennial "dark horse" of Nipponese politics, whose resignation has been rumored innumerable times in the past two years, had tendered his resignation to the Cabinet the same morning.

Gen. Minami's selection for the important post was hailed by military circles, as ensuring competent administration for Korea and close collaboration with Gen. Kenkichi Uyeda, Commander-in-Chief of the Kwantung Army and Ambassador to Hsinking. The new 60-year old Governor-General of Korea, who was graduated in the cavalry class of the Military Academy, has had a notable career since his promotion to the rank of full general in 1930. Five months before the outbreak of the Manchurian incident in 1931, Gen. Minami was selected for the War

portfolio in the Cabinet headed by Baron Reijiro Wakatsuki. He served in that post through the opening months of the Incident, resigning in December, to become a member of the Supreme War Council. He was succeeded as War Minister by Gen. Sadao Araki.

In December, 1933, Gen. Minami was appointed to succeed Gen. Hishigari as Commander-in-Chief of the Kwantung Army and Ambassador to Hsinking. In the following 28 months he has constantly remained in the public eye, in view of the continuous clashes on Manchukuo's borders with Soviet Russia and Outer Mongolia.

Holding himself responsible for the mutiny of Feb. 26, in his capacity as the senior officer in the Army, Gen. Minami tendered his resignation in March. On his return to Tokyo he was ordered attached to the General Staff. Gen. Minami is the only remaining member of the all-powerful military group, that once included Generals Araki, Jinzaburo Mazaki, Senjuro Hayashi, Yoshiuki Kawashima and Nobuyuki Abe, all of whom were placed on the reserve list following the mutiny.

U. S. Government Advises Diplomats to Remove Families from Spain

The civil war in Spain has increased in intensity during the past week and as a result U.S. Secretary of State Cordell Hull, Aug. 3, warned that the United States "cannot be assured that conditions will remain in such a state that American vessels may at all times be able to establish contact with Americans who may decide, at some time in the future, that they want to leave Spain." At the same time Secretary Hull revealed that all American diplomats had been advised to remove their families from Spain immediately. Forty-six continental Americans, sixteen Puerto Ricans and eleven Filipinos are still in the American Embassy at Madrid, Eric C. Wendelin, Third Secretary, reported. In addition, 75 Americans, 25 Puerto Ricans and nineteen Filipinos are remaining in Madrid outside the Embassy. A large proportion of the American citizens in Spain at the outbreak of the military revolt have left the country.

International Complications Threaten—German Dreadnought at Moroccan Port

The various international complications that may arise in connection with the Spanish civil war have in them the germs of another European War. France has so far declared herself as determined to observe strict neutrality, but in view of the fact that the Government which is being assailed in Spain is of the same "color" as the present French Government there are indications that this policy of neutrality may be changed in future, all depending on how the fortunes of war turn out. An incident which has caused much comment in other countries, particularly in England, was that the German Government sent the 10,000 ton pocket battleship *Deutschland* to Ceuta in Morocco, ostensibly to repatriate Germans there, but it was mentioned in one of the telegrams that the German ship took such a position that the Spanish government ships were unable to fire without hitting it. At the same time, General Franco, leader of the Spanish revolt, received staff officers from the German warship in the Palace, and the ships in the harbor gave the visiting warship a salute of guns.

Italy and Germany by Various Acts Show Sympathy with Spanish Rebels

Italy and Germany by various moves have shown their sympathy with the rebel party, which is trying to overthrow the Left Government at present ruling in Spain. In Moscow on Aug. 4 120,000 trade unionists demonstrated in the Red Square as a protest against "interference by Italian and German Fascists with Spanish democracy." All trade unionists in Moscow have pledged to subscribe one-half per cent of the month's pay for a defence of Spanish democracy.

Ethiopians Make Fierce Onslaught on Italians —Wipe Out Motor Column

Messages from Part Said this week stated that the Italian Expeditionary Corps had met unexpected difficulties during several days at Addis Ababa, where a 36-hour battle raged, and at Dessie, when Ethiopian forces made a determined uprising on St. George's Day, July 28. Despite the affirmation from Italian authorities that they have mastered the situation, it is understood that at Addis Ababa, in particular, conditions remain critical and it is not known yet whether the Abyssinian warriors have been repulsed. At Addis Ababa, the battle was preceded by a comprehensive infiltration of Ethiopian warriors into the city. Martial law was proclaimed and the Ethiopian bishop Petros, accused of co-operating with the Ethiopian forces, was summarily tried and shot in the street. The Italian garrison in Maggio, about 30 miles from Addis Ababa, was attacked by 2,000 tribesmen, who were eventually beaten off. Meanwhile, an Italian motorised column of 16 lorries is said to have been ambushed and destroyed and 200 native troops wiped out.

Koo, Quo and Hoo to Represent China in League Assembly Meet

Dr. Wellington Koo, Chinese Ambassador to France, Quo Tai-chi, Chinese Ambassador to the Court of St. James, and Dr. Victor Hoo, Minister to Switzerland, will represent China in the forthcoming meeting of the League Assembly, which will be held in September, according to an official announcement made by the Ministry of Foreign Affairs in Nanking, Aug. 1.

Chinese Residents in Spain Said All Safe

The staff members of the Chinese Legation and Chinese residents in Spain are all safe during the present trouble, according to a message received July 20 by the Ministry of Foreign Affairs from Chien Tai, Chinese Minister to Madrid. There are about 100 Chinese in Spain, most of whom are in Madrid.

Britain Assures Portugal as to the Safety of Its Colon ies

Assurances that the British Government is not intending to participate in negotiations aiming at the partial or total alienation of Portuguese colonies from the mother country were given July 30 by the Foreign Secretary, Anthony Eden, to the Portuguese Foreign Minister, Senor Armindo Monieiro, who was on a visit to London.

Anti-Chinese Feelings in Siam Highly Exaggerated, Dr. Ling Ping Says

Press reports of intense anti-Chinese feelings in Siam have been exaggerated, declared Dr. Ling Ping, formerly Chinese Minister to Cuba and head of the Chinese good-will mission to Siam, who returned to Nanking from Bangkok via Shanghai July 29. During his recent visit in Siam, said Dr. Ling, many responsible officials in the Siamese Government including Col. Pyha Phahol, President of the Siamese Council of State and several other members of the Siamese "cabinet" told him that they themselves are descendants of the Chinese. China and Siam, they said, are bound by historcial kinship and it would be ridiculous to have descendants of the Chinese ill-treat their brethren. Misunderstanding, according to Dr. Ling, has been responsible for the unhappy feelings existing between the two nations. But as a result of satisfactory exchanges of views between the Chinese mission and the Siamese Government during the recent goodwill visit, such an unhappy state of affairs has been ironed out.

Commenting on the Siamese regulations governing education, which has been the target of attacks by overseas Chinese, Dr. Ling said that they are equally applied to Chinese overseas and foreigners residing in Siam. A liberal attitude, he said, is now being taken by the Siamese educational authorities towards compulsory education.

Ministry of Education Takes Steps to Eradicate Cruel Punishment of School Children

Torturous physical and mental punishment of school children, which has for years proved a curse to innocent juveniles, will soon be eradicated in the Chinese schools as a result of rigid steps taken by the Ministry of Education to correct the pedagogic injustice.

In a circular order issued to all primary schools and "private tutor" schools, the Ministry holds that unreasonable physical and mental discipline of mischievous pupils is not only injurious to their health but to their spiritual well-being as well. The step came about as a result of an extensive study made by the primary school discussion groups in Hunan, Hupeh, Shantung, Shansi, Kiangsu, Chekiang, Fukien, Honan, Shensi, Peiping, Tientsin, Tsingtao, Nanking, Weihaiwei, and the experimental school of the National Central University. According to a pamphlet turned out by the National Committee for the Enforcement of the Children's Year, infliction of physical punishment by hand or by cane and ruler by the teachers should be strictly forbidden.

Likewise, disciplinary action which may tend to produce bad mental effects on the students, such as the deprivation of their freedom of movement, the assignment of extra school work and the confinement of the naughty in dark rooms, should also be discouraged.

Six Chinese Escape Murder Charge But Go to Jail for Robbery

Six Chinese accused of being involved in the murder of the late Tang Yu-jen, former Vice-Minister of Foreign Affairs, who was killed on Christmas Day last year at his Rue Gaston Khan residence in the French Concession, escaped prosecution on this count, as the French Police told the Second Special District Court July 3, that they had not sufficient evidence to warrant prosecution. The group, convicted by the Court for robbery committed in the Settlement, was brought before the tribunal on the ground that they were found in possession of a gun which fired bullets similar to those which killed Mr. Tang. They were, however, turned over to the First Special District Court to serve sentences imposed on them for robbery.

Manchukuo Suspends Payment of Retirement Allowances to C.E.R. Employees

Constantin C. Yureneff, Soviet Ambassador to Japan, July 30 asked Hachiro Arita, Foreign Minister, to use his good offices to ensure the payment of retirement allowances to former employees of the Chinese Eastern (North Manchuria) Railway, discharged when the railway was acquired by the Manchukuo Government. The request was made during an extended interview between the two officials at the Foreign Office.

Mr. Arita is reported by *Domei* to have replied that the Hsinking Government has discovered important debts of the Chinese Eastern Railway which were not shown on the balance sheet submitted by the Soviet authorities at the time of the conclusion of the sale agreement in March of last year. This, Mr. Arita added, forced the Hsinking administration to suspend the payment of allowances to former Soviet employees.

Japanese to Develop Agriculture in Manchuria as a Buffer Against Russia

The *Shun Pao* July 30 published details of the Japanese program for developing agriculture in Manchuria, particularly with a view to preparing for the eventual war against the Soviets. The plan envisages the development of agricultural experimental organizations throughout the whole country, each district to have a properly trained agricultural director; specialists are to be named for directing agricultural work; a well-organized net-work of depots is to be established for the observation of agricultural conditions; model agricultural villages are to be established and markets for special agricultural products are to be extended.

Manchukuo Approves Mass Immigration of Japanese

Readiness to co-operate with Japan in the latter's ideas for a mass migration of her subjects to Manchukuo was voiced in a statement issued in Changchun, July 31, by the Manchukuo Government. The announced intention of the Japanese Government provides for the settlement of 5,000,000 Japanese in Manchuria within the next twenty years.

S.M.R. Director General Says People in Japan Are Skeptical

Mr. Matsuoka, Director General of the South Manchurian Railway, returned to Dairen July 29 from Japan. In a statement to the press, the noted Japanese financier said:—"During my four days' stay in Tokyo, I had a lengthy talk with government leaders. It seems that the people in Japan are still doubtful of the co-operation between the Japanese Kwantung Army and the South Manchurian Railway. Such doubt must be dispelled before more Japanese capital can be invested in Manchuria. As to the reform of the South Manchurian Railway, such proposals will be discussed at a meeting of the Board of Directors to be held in the near future."

Three Japanese Officers Killed in Clash with Volunteers

Japanese troops in the Hailun district were defeated on July 25 by the anti-Japanese volunteers under the command of Chang Tze-shang, according to a belated report received in Harbin. Three Japanese officers were killed.

According to a message from Harbin in the Tokyo *Nichi Nichi* July 28 six Japanese were injured, including sub-lieutenant Kotani, in fighting against a bandit group of more than 100 during 15 hours of fighting.

Hsinking's Help Asked in Aid of Refugees

The Manchukuo Government's co-operation in the activities of the Nansen Commission for the Relief of Refugees was asked in a communication received in Hsinking Aug. 4 from Michael Hanson, Director-General of the organization. The letter requested the Hsinking authorities to supply information regarding the conditions of living among the "White" Russians in the New Empire and the steps taken by the Manchukuo Government to improve these conditions.

Mukden Consul Denies Torture Charges

A sweeping denial of the reports, circulated by a foreign news agency, that a British Indian, one Hussein, and his wife, were maltreated by the police in Mukden was made July 29 by R. M. Austin, British Consul-General in said city, the *Kokutsu News Agency* reported. The reports, alleging that Hussein was beaten and subjected to water torture, found their way into the House of Commons and resulted in the filing of representations with Shigeru Yoshida, Japanese Ambassador to the Court of St. James. Mr. Hussein, according to the report, was arrested on charges of fraud, but released following a British protest, which pointed out that he, being a British subject, possessed extraterritorial rights.

Large Arsenal to Be Erected in Fengtien

A Changchun message dated July 14 to *Kwangsi Laichow Jih Pao*, stated that a large arsenal will be established in Fengtien Province. A total sum of Yen 4,600,000 has been appropriated for the construction work.

Oji and Okawa Companies Form Merger of Pulp Companies in Manchuria

A provisional contract was signed July 27 between the Oji Paper Manufacturing Company interests and the Okawa interests for the merger of their pulp companies in Manchuria. The merger takes the form of the Daito Pulp, absorbing the Okawa interests Toman Pulp, and the augmented Daito will be capitalized at Yen 30,000,000, of which Yen 7,500,000 is paid up.

Soviets Seize Another Japanese Fishing Ship Near Kamchatka

The *Kaikoku Maru* No. 13, a 28-ton Japanese cod-fishing trawler, was captured by the Soviet authorities on July 29, three miles east of the coast of Kamchatka, on charges of fishing in Russian territorial waters. The ship, together with its crew of 15, has, according to a report received by the Tokyo Foreign Office from Mr. Tanaka, Japanese Consul in Petropavlovsk, been taken to the latter port, to stand trial before a Soviet court. Gaimusho officials are stated to be taking a serious view of the matter, as the seizure of the vessel was the sixth in five weeks.

New Clash Reported Near Lake Khanka

Japanese military camps pitched near Tungning, south of Lake Khanka, on the eastern border of Manchukuo, were hit by 17 machine-gun bullets fired from Soviet territory on July 26, the headquarters of the Kwantung Army announced in a special communique July 29.

Ohta Leaves Moscow for Japan

Tamekichi Ohta, Japanese Ambassador to Moscow, left Moscow July 28 for Japan on furlough, which, according to current rumors, will end in his retirement from active service.

"Manchester Guardian" Comments on U.S.S.R. Foreign Policy

The *Manchester Guardian* in a recent editorial on the foreign policy of the U.S.S.R., commented: "Considering the real facts we must establish that the U.S.S.R. will fight no one if not forced thereto." The newspaper further expressed the opinion that the Soviet Far East is fortified to such an extent that it would be able to resist an aggressor, even if it was cut off from Moscow.

"Pravda" Comments on Mission of Leith Ross to Far East

In connection with the return to England of the economic advisor to the British Government, Leith Ross, following a prolonged stay in the Far East, Moscow *Pravda*, July 28, devoted an article to the Anglo-Japanese struggle in China. Dwelling on Leith Ross' trips to Japan, the newspaper writes: "Japan refused to come to an agreement regarding a common Anglo-Japanese exploitation of China, considering it necessary to secure the exploitation of this country exclusively for herself. The failure of the mission of Leith Ross in Japan led to the fact that he began to act in China, not only without contact with Japan, but directly against Japanese interests. No doubts arise, that the financial reform introduced into China was recommended to the Nanking Government by Leith Ross. No doubts also arise, that, despite all denials, this reform was strengthened by the short-term credits which the Chinese banks received from the British banks in Shanghai. Leith Ross not only helped China to introduce the monetary reform, against which the Japanese actively struggled, but also made direct anti-Japanese statements regarding North China in connection with Japan's attempts to complete the seizure of the North China Provinces. Partly under the influence of the activity of Leith Ross Japan then had to slow down its aggression in North China, also to lend to this aggression a more disguised nature. The successful monetary reform, introduced with the assistance of London, naturally hampers Japanese aggression in China, and therefore Japan does not stop at any means in the struggle against it."

Trans-Siberian Express Derailed Between Khingan and Pokotu

The Harbin-bound trans-Siberian express was derailed between Khingan and Pokotu on the night of June 26. As the train was descending a steep gradient, the "pusher" locomotive, two third-class carriages and one of the mail vans jumped the metals and fell over the embankment. The first and second class carriages jumped the track, but, luckily, remained standing. Details of casualties are not yet to hand.

Peiping Middle School Party to Make Tour of Soviet Russia

The Association of Private Middle Schools in Peiping has decided to organize a party to tour Soviet Russia and investigate educational conditions. Regulations governing the organization of the party are being drafted by the Association. Part of the expenses of the party will be borne by the members themselves but the greater portion is expected to be raised by subscription.

Friendship of Mongolians for Russians Explained by Soviet Ambassador

"It is not Soviet Russia's imperialistic genius which makes Mongolians view Russians favorably, but the socialist policy of the U.S.S.R. vis-a-vis Mongolia which has produced real friendship between the two countries," Ivan Maisky, Soviet Ambassador to London, declared in an address before the Liberal Summer School at Oxford Aug. 1.

Smuggling Traffic Decreases—Japanese Themselves Hit

A Peiping message to the Tokyo *Nichi Nichi* July 29 stated that the much-discussed East Hopei coastal special trade has been diminishing due to the desperate efforts of the Nanking Government to prevent it and also to the fact that the import articles of this category have reached a saturation point. The dwindling tariff returns (so-called one-fourth rates effected March 12, this year) bespeak the trend, it was stated.

A decrease in all categories of illicit goods was noted in the North China smuggling situation in the second half of July as compared with the first two weeks of the month, information from the Customs authorities revealed. Likewise, the flow of contraband from Tientsin southwards by train was considerably curtailed, due chiefly to rigid Customs action in checking the transportation of illicit goods as personal luggage.

In order to expedite the anti-smuggling work, the Tientsin Customs has organized an Investigation Corps. More than 30 cases of smuggling were reported to the Customs July 30. The Tientsin Customs has also devised measures with the local Chamber of Commerce regarding the examination of goods destined for export. It is provided that merchants, who wish to export goods, must obtain a certificate issued by the Customs which must be guaranteed by the Chamber of Commerce; otherwise their goods will not be passed for export.

In order to counteract the latest smuggling practice, parcels sent by post will be subject to strict inspection and must be accompanied by a transport and sales permit. The Post Office will refuse to deliver parcels without such permit and any parcels unaccompanied by them will be detained by the Customs authorities.

Smuggled Goods Now Go Along Grand Canal

A recent Tientsin message to the *Lih Pao* stated an abundance of smuggled goods are now being shipped to the Provinces of Shantung and Honan along the Grand Canal. A responsible official of the Tientsin Custom called on General Chang Tse-tsung, Mayor of Tientsin, and asked the latter to render assistance in the Anti-Smuggling work conducted by the Custom authorities. General Chang is said to have promised to do all he could to help the Customs authorities.

Large consignments of smuggled goods are reported to have been transported from Tientsin by trucks in the night time to Hsiaoyuanchuen, west of Tientsin, where they were loaded into junks destined to Shantung and Honan points.

Japanese Attempt to Smuggle Silver Out of Tientsin

The attempt of several Japanese to smuggle out from Tientsin $8,000 worth of silver was frustrated when they were detained by the Chinese Customs authorities in said city July 28. The next day the Japanese Vice-Consul called on the Tientsin Customs Superintendent and requested the release of the detained silver stock. This request was refused by the Chinese Customs authorities.

Seven Kilograms of Morphine Found in Japanese Baggage at Shanghai North Station

The sequel to the incident at the Shanghai North Station July 23 when a Japanese man and women objected to having their two suit cases searched by the Customs attendants at the station was that when the suit cases eventually were opened last week they were found to contain seven kilograms of morphine. The two suitcases were opened by Customs and railroad officials Wednesday afternoon after protracted negotiations with the Japanese Consulate General. No Japanese officials were present when the inspection took place, although they were asked to witness the procedure. The drugs are now in possession of the Customs authorities. The examination was made with the consent of Japanese Consular officials. The Japanese man and woman concerned in the incident were not present at the examination. Nothing has been heard of their whereabouts since they left the North station July 23 in company with a Japanese consular official.

Armed Smuggling Group to Be Formed by Japanese

As a result of the rigid preventive measures taken by the Customs authorities, smuggled goods have been prevented from flowing southward during the past two weeks, a Tientsin message to the *Shun Pao* Aug. 3 stated. It is understood that the Japanese are now preparing to form an armed smuggling group in order to push the sale of smuggled goods in Southern Hopei and Northern Kiangsu.

Japanese Newspapers Protest Against Alleged Unfair Treatment

A warning that Japan will some day lose her patience, if the local Chinese Customs authorities continue their alleged unfair treatment of Japanese goods brought to Shanghai, was uttered by the Shanghai *Mainichi* July 26. The chief reason for discrimination against Japanese goods, the paper asserted, lies in the prevalence of the so-called special trade in North China.

"Although we do not care whether the Chinese Government regards the special trade as smuggling or as anything else, we do object to the treatment of Japanese goods brought here as if they were contraband," it was stated. "Especially unbearable has this situation become in view of the growing recurrence of such incidents. We are deeply displeased with the attitude of the Customs officials, who make use of their authority to place undue pressure upon Japanese imports. Speaking frankly, the Japanese do not consider the continuation of the special trade in North China desirable, since Japan's trade here is becoming affected by it. Nevertheless, we do not regard it a fair practice to mistreat, under the influence of passing emotion, goods which have no relation whatsoever to the commodities brought into North China under the conditions of special trade."

Commenting on the creation of a Shanghai Association for the Prohibition of Smuggling, with the participation of the local Chamber of Commerce the, Shanghai Trade Union, etc., the Shanghai *Nippo* Aug. 3 emphasized that the organization will strengthen the boycott movement against Japanese goods. "Even Chinese traders are complaining of the existence of such an association, because they are forced to suffer heavy losses in cancelling contracts with the Japanese for Japanese goods. In principle, we do not find fault with the organization, provided the latter will strictly prohibit smuggling, and protect the rights of the merchants. However, firm steps will be taken by the Japanese if the association carries out a boycott against Japanese goods, only in the personal interests of a few leaders."

Another Incident in Tsinan Settled

A *Central News* message from Tientsin Aug. 1 stated that the recent incident involving the beating of several policemen by Korean smugglers at Tsinan Railway station is considered settled, as the Japanese Consulate had given assurance that steps will be taken to prevent the occurrence of similar incidents. Smuggling activities along the Tientsin-Pukow Railway still continue unabated.

Social Affairs Bureau Shows There Were 278 Strikes in Shanghai Last Year

The Bureau of Social Affairs of the City Government of Greater Shanghai has published statistics regarding the number of labor strikes and labor disputes in Shanghai, during the past year. According to these statistics, there were 278 strikes by Shanghai workers during the past year.

Protesting against the employment of large numbers of apprentices and the reduction of wages, workers of more than 50 wall-paper firms in Shanghai went on strike July 29.

Police Station in Wusih Destroyed by Workers

Two were killed and 95 arrested as a result of a serious clash between the workers engaged in the building of the Soochow-Wusih Highway and the police force of the third district of Wusih July 29. The police station of the district was completely destroyed by the workers and all the prisoners arrested were released. The police chief was seriously injured. The incident started a few days, when an old woman was wounded by a number of workers, leading to the arrest of six of them. In an attempt to release these workers, more than 300 workers rushed to the police station today and destroyed the offices and freed all the prisoners. These workers disarmed the police and it was not until the arrival of more police from other districts that the incident was suppressed.

War-Time Chinese Laborers Return from Russia

Driven by unemployment and hardships abroad, more than 400 Chinese laborers who participated in the World War, most of them in Russian territory, returned to Shanghai July 30 by the Soviet steamer *Sever*. The group was met by representatives from various local public organizations conveying to them sympathy and concern over their welfare. Meanwhile, it is learned, plans are being made by various municipal organizations to raise funds as travelling expenses for the unfortunate workers to return to their respective home towns. Most of them come from Shantung and Hopei.

More than 2,000 packages of smuggled artificial silk (rayon), sugar, piece-goods and other contraband were detained by the Tientsin Customs during the period Aug. 1-4.

Promulgation of Compulsory Real Estate Execution Law Likely to Be Postponed

Promulgation of the Compulsory Execution Law which was recently passed by the Legislative Yuan for the purpose of increasing the protection to real estate investors is likely to be postponed, a recent message from Nanking stated. Views and comments on the subject, presented to the Executive Yuan by the Ministry of Finance, it is learned, will soon be discussed at a joint meeting of the Ministries of Interior, Finance, Industry and Education. Pending definite conclusions being reached, information states, the National Government has been requested to delay the promulgation of the Law.

Mayor Wu Teh-chen Inspects Aviation Class at Lunghwa

Mayor Wu Te-chen of Greater Shanghai paid a visit to the Lunghwa air field July 31 to inspect the aviation class sponsored jointly by the China Aviation League and the China Aviation Institute. After an informal inspection, Mayor Wu spoke to the gathering of students, encouraging and applauding their good work. He hinted that plans were being considered to establish an advanced school of flying which would enable the graduates of the present school to continue with their studies into the finer points of piloting, navigating, nursing the many types of aircraft now in existence. The 34 men and two women students at China's first civilian flying school are ending their sixth week of training. Most of the theoretical work is being undertaken in the classrooms of the Institute at 80 Rue du Roi Albert, while all practical work is done at the Lunghwa Airfield.

Kwangtung Aviators Receive Elaborate Reception at Hangchow

A group of 130 members of the Kwangtung Air Force who left that province recently in opposition to General Chen Chi-tang's secession move, arrived at Nanking July 29 from Kiukiang aboard the s.s. *Ming Hsing* after having interviewed General Chiang Kai-shek, President of the Executive Yuan, at Kuling. The party stayed in Nanking for several days to interview Government leaders, after which they proceeded to Hangchow. They arrived in Hangchow from Nanking by through train at 6.30 p.m. July 31. Five hundred representatives of the various Government organs and civic organizations headed by Chou Hsiang-hsien, the Mayor, were present to welcome the visitors. They motored to the Flying School where they were given an elaborate reception by the instructors and cadets.

A telegram from Hangchow Aug. 3 said that Captain Chen Ching-yun, newly appointed Commander of the Kwangtung air force, did not accompany Captain Huang Kwang-jui, his predecessor, enroute to Canton to take up his new post as the principal of the Aviation School in Canton. Captain Chen, it is understood, has cancalled his plan of flying to Canton on account of unfavorable weather and will leave for the South sometime next week.

Airplane Smashes in Germany While Colonel Lindbergh Looks on

A new type of plane from the well-known German airplane constructors, Heinkel, cracked up in the air while being demonstrated near Berlin July 27 before Colonel Charles A. Lindbergh. The pilot of the ill-fated plane, famous war and stunt flier Udet, and the chief of the technical staff of the Air Ministry who was the only passenger, saved themselves through courageous parachute leaps. Colonel Lindbergh, accompanied by the two aviation attaches to the Berlin American Embassy, Commander Maile and Captain Koenig, had arrived at the Heinkel Works in the morning, to inspect the plant as well as two new types of planes which are now in course of construction. In the afternoon, the different types of planes constructed by Heinkel were demonstrated in the air. It was in the course of these demonstrations that the accident occurred. Colonel Udet suffered slight abrasions and a sprained leg from the mishap, but he was expected to resume his duties within less than a week. His passenger escaped uninjured.

French Air Delegation to Visit U.S.S.R.

The aviation committee of the French Chamber decided July 31 to send a delegation to Soviet Russia to obtain first-hand information about the state of Soviet aviation.

Thirteen Giant Boeing Bombers Being Built at Seattle for U.S. Army Air Corps

The first of thirteen giant Boeing 299 bombers being produced for the United States Army Air Corps, is expected to be ready to take the air end of August or early in September. Captain John D. Corkille, has been assigned by the War Department to the important task of flight testing these powerful four-engined planes, the fastest and longest range bombers in the world and the largest land planes in America. They are being built by Boeing Aircraft Corporation at Seattle, Washington.

British to Open North-Atlantic Air Service

Experimental long-distance flights in connection with the North Atlantic air service, will be carried out shortly on behalf of a projected Anglo-Irish-Canadian operating company, according to an announcement in the House of Commons by Sir Philip Sassoon, Under-Secretary of State for Air July 30. All practical preference, he said, would be given to the direct route via the Irish Free State, Newfoundland and Canada, but, he added, it might be found necessary during the initial period to operate the services via Bermuda during the winter months.

U.S. United Air Line Flies 100,000,000th Mile

The airplane flight which marked the completion of the 100,000,000th mile flown by regular machines of United Airlines was conducted last month by the veteran pilot Jack Knight, who has 2,000,000 air miles to his credit. Taking a regular transcontinental airplane off from Chicago en route between New York and California, Mr. Knight was given a special send-off by civic officials and employees of United Airlines, which claims to have set up a world record for air transport companies.

Trans-Pacific Airplane Service Opens New Avenue for Insect Pests to Enter U.S.

A recent San Francisco message pointed out that the creation of a trans-Pacific airplane service automatically has given rise to the problem of how to prevent the introduction into the United States and other countries of insects and parasites that might be detrimental to American crops. The insects and parasites conceal themselves on the planes in the same manner as on ships.

U.S.-China Air Mail Flights to Begin Sept. 1, Domei Message States

Direct air mail communication between the United States and China, with Macao serving as the Oriental terminus, will be inaugurated on September 1. The Pan-Pacific Airways, according to a *Domei* message from Canton Aug. 5, has already concluded a formal agreement with the Portuguese Government for the utilization of Macao as the western terminus of the trans-Pacific line.

The conclusion of the agreement, these circles said, followed the collapse of negotiations between the American concern and the authorities in Hongkong and Canton for permission to use either one of these two ports as the Oriental terminus.

Child Welfare Conference Opens in Tsingtao

More than 100 delegates from all over China are attending the second national conference of the National Child Welfare Association, which opened at Tsingtao Aug. 4. The conference, which is being held at the invitation of the Tsingtao Mayor, Admiral Shen Hung-lieh, has before it about 150 proposals for discussion. The purpose of the conference is to review the activities of child welfare work in China since the first conference in 1934 and to map out the future course of the Association. After the inaugural ceremony, which followed Kuomintang practice, Li Ting-an, Commissioner of Public Health, Shanghai, was elected chairman of the Conference in the unavoidable absence of Dr. H. H. Kung, the Minister of Finance, who is President of the Association.

Addresses were received and read from Dr. Kung and General Chiang Tso-pin, Minister of the Interior, while Lin Sen, Chairman of the National Government, and Wang Shih-chieh, Minister of Education, telegraphed their good wishes for the success of the conference.

U.S. Court Dismisses Damage Action Against Shanghai Power Co.

Judge Milton J. Helmick in the United States Court for China Aug. 4, dismissed the complaint of Mrs. Nadeja Stepanovna Maximenko against the Shanghai Power Company for damages of U.S. $10,000 for alleged negligence on the part of the company in regard to the death of her husband, who was electrocuted on March 13, 1935, while in the Company's employ as an overhead helper in the overhead line section. Judge Helmick, however, expressed the hope that the Company would, nevertheless, voluntarily make for the widow and child a payment larger than it formerly offered by way of a self-imposed compensation allowance. In his judgment, Judge Helmick discussed the question of compensation in Shanghai and declared that although the application of compensation acts to this jurisdiction is very difficult he thought that it may not be impossible through "reasonable construction and elimination of unsuitable portions to preserve the substance of the law in some fair and workable system which would be welcomed by both employers and employees." He pointed out that it would be erroneous to apply the Workmen's Compensations Act in this case but he stated that the discussion simply indicated a disposition to study the question for consideration in some future case where it may properly arise.

The Court in its judgment said it did not find any violation of defendant's obligation to provide a reasonably safe place for its employees to work, which would seem to be the principal ground on which negligence would likely be predicated under facts like those in the case which was tried. The Court held that a decisive factor in the case was the conduct of Maximenko himself. There was no occasion for him to go up the pole at all and no one in authority ordered him to do so. When the linesman called for the clamp the easy, natural and customary thing to do was for Maximenko to attach it to the guide line so the linesman could draw it up. On his own initiative and for reasons best known to himself he elected to climb the ladder, strap on his safety belt and hand the clamp to the linesman. The gang leader was not aware of his action until he saw him at the top of the pole. On his arrival at the top he was made aware of the dangers of the situation. Under these circumstances he would have to be held responsible for the consequences.

My First Dancing Lesson

BY T. S. YOUNG

ONE thing I have always regretted is the fact that I had not learned dancing while I was in the United States. When I was studying in New York, I had a fine opportunity of taking a few dancing lessons from the daughter of my landlady, who was said to be a dancer of no mean caliber. She was very kind to me, and urged me several times to learn modern dancing steps from her. But alas! I was somwhat girl shy, and had not the nerve to hold a girl friend round my arm. Besides, what was the use of learning dancing, when I could not find any girl to dance with after coming back to China.

This was twelve years ago. At that time, dancing was not totally unknown to our people, but it was denounced as an indecent pastime enjoyed by "barbarians" only. In the eyes of our people, it was highly ridiculous as well as immoral for a gentleman to hold a lady very closely round his arm and drag her round the floor with measured steps in public, for such an intimacy between sexes could only be displayed behind the closed doors and without the presence of any third person. "How could the 'barbarians' do such a thing before the gaze of the public without any sense of shame?" was the frequent enquiry of our people.

But during these twelve years, much water has run under the bridge. The outlook and mind of our people have undergone such a rapid and drastic change, that we can scarcely recognize our identity. What was deemed as immoral and indecent is now considered fashionable as well as modern, and what was believed to be the dregs of Western civilization is now looked upon as its froth and cream. It transpires that we can not call ourselves modern, unless we can imitate everything foreign from the using of brass bands at our weddings to the lying in bronze coffins after our death. Thus dancing along with other imported fads has become a very popular social function to our modern people.

Boom in the Cabaret Business

During the past five years, Shanghai has seen a great boom in the cabaret business. Cabarets have sprung up just as fast as "the bamboo shoots after rainfalls," and thousands of Chinese taxi-dancers have been hastily trained up to meet the increasing demands. Young business men and college students have gone to cabarets even more regularly than they have attended to their offices or classes. Even many of our old people have thrown away their mask of morality and forget the pains of their stiff legs in trying to master modern American dancing steps. Thanks to the thoughtfulness of cabaret-owners, even the poor people can afford to enjoy this pastime, when the price of dancing has became so cheap that one can have ten or even fifteen dances at the mere cost of one dollar. Just think of it, one can dance with a girl, or rather hug a girl, for a few minutes at ten cents or less. No wonder, on Saturdays and Sundays, cabarets are packed to the overflowing, for nowhere can you get back so much by spending so little.

Dancing may be a great art, but its artistic value is too profound to be appreciated by our cabaret-frequenters. I say this with no intention to belittle the intelligence of our people, but I only wish to call a spade a spade. If the people go to cabarets merely for the sake of dancing, then why should cabaret-owners put up such big advertisements eulogizing the youth and beauty of their taxi-dancers? Even in America, birthplace of Jazz music, I bet you can not find an old lady serving as taxi-dancer. To be frank, man, by nature, loves young and beautiful girls. When you summon a sing-song girl, you have to spend one dollar for her few minutes' attendance. But now you can hug ten different girls by spending the same amount. Where can you find a more pleasant pastime, in which you can hug and flirt with girls at so cheap a price?

I am not ashamed to say that I like to hug young and beautiful girls, especially when the hugging can be had at so cheap a price. Besides, I hate to be looked upon as a relic of the past generations, or a "modern Confucius", as some of my friends have called me. I am young yet. While our old people are crazy after dancing, or rather the hugging of girls, why should I not be? Furthermore, I have been frequently told that we can "save our country through dancing," As I do not want to lag behind in any cause of patriotism, so I must learn dancing with the hope of contributing my small part to our national salvation.

Thus, actuated either by selfish or altruistic motives, I have determined to learn dancing. To make up my mind is quite easy, but to carry out my determination is just as hard as to get rid of my smoking habit. I am not as afraid of girls now as I was twelve years ago, but still I have found that it needs some nerve to approach a strange girl and ask her to teach me how to dance, although her service, if it may be so called, is to be paid on a purely business basis. Many times, I went with my friends to cabarets, but, in spite of their urge, I always found that my courage failed me in presence of those dancing "beauties." Sometimes, I really got desperate, and came to the belief that I would never have the pleasure of hugging the girls in all my life.

One day when I was reading newspapers, I came across a little advertisement with the following attractive words:

> Can you dance? If not, come to this Studio. For a paltry sum of $10.00, you can take TEN private lessons taught by a young and beautiful girl. Ability to dance guaranteed; otherwise, money will be refunded.
>
> .....DANCING STUDIO
> No. 13.....Road, Shanghai.

After seeing this advertisement, I concluded that it was not a losing business propostion to spend $10 for ten private dancing lessons taught by a young and beautiful girl. Obssessed with the imaginations of a young and beautiful dancing teacher, I went immediately to the address as stated in the advertisement, but had great difficulty in finding the place, which was situated on the third floor of a very old building.

A "Young" Dancing Teacher

In answer to my knocks, a woman, clad in cheap silks and with her face painted like a white washed wall and her lips like a cut of raw meat, came out to greet me and asked the purpose of my visit. According to her looks, she must be a woman of more than thirty years of age, and in spite of her make-up, wrinkles appeared clearly on her forehead. I told her that I wanted to see the dancing teacher. She replied with an ugly smile that she was the very person. Either sensing that I was going to faint at this disclosure or fearing that I would beat a hasty retreat as if before a monster, she without hesitation seized my left arm and dragged me into the room, which, she said, was her studio.

This room looked more like a closet than a dancing studio, and had no other furniture except one small desk, two chairs and one portable phonograph After forcing me to sit on one of the two chairs and without waiting for me to explain the purpose of my call, she hastily wrote out a receipt and thrust it into my hand with the request that tuition for the lessons must be paid in advance. Prompted more by the motive of philanthropy than by the wish to learn dancing, I paid her ten dollars which she grabbed and placed into her hand bag with a smile of gratitude.

After these formalities, she said that since she had no other engagement, we had better start the lessons immediately. Without waiting for my concurrence, she pushed aside the chairs, and gave me a long discourse on modern dancing steps including the difference between fox trot and waltz, the proper way to hold the partner, and how to measure steps with music. After this discourse, she asked me to hold her in my right arm and walked forward in accordance with her signals: "one, two, three, four, turn", "one, two, three, four, turn", etc. She seemed to like me very much, because, at parting, she even proposed that she would always be ready if I should take her to any of the cabarets to practise my steps.

Thus I have taken my first dancing lesson. Although the personal appearance of my dancing teacher is very repulsive, why should I care, so long as she can teach me all the secrets of dancing? When I master these steps, I will be able to hug any of the young and beautiful girls I can find in the local cabarets. Besides, it is also humanitarianism to present ten dollars to a woman, who, because of her age, appears to have a great difficulty in making her living by giving dancing lessons. I have not yet told my friends of my taking dancing lessons. When the proper time comes, I will certainly surprise them by showing to them that I am just as modern as they have supposed themselves to be.

I am sorry I can not yet inform my readers of the pleasure in dancing because so far I have only danced, or rather learned to dance, with a woman much older than me. After having had some experience in dancing with young and beautiful girls, I may tell my readers something exciting, if it is proper to put them down in black and white. Meanwhile, I would strongly urge those of my readers who can not dance to take dancing lessons immediately because of the aforesaid reasons. Besides, life is short, why do we not enjoy ourselves when we are able to do so?

Shanghai, July 31, 1936.

Hsuchow Commissioner Orders Closer Guard Over Prisoners Because of Jail Break

As a result of the recent daring jail break at Peihsien, the Hsuchow Special Commissioner Aug. 1 ordered all magistrates within his jurisdiction to take precautions in future so as to guard against a repetition of similar outrages. The jail guards are to be doubled and dangerous criminals are to be carefully chained and shackled, the instructions said. In the recent jailbreak more than 40 prisoners overpowered a few guards on the premises and gained exit. A majority of them were arrested after a house to house search.

Japanese Aggression Extended to the Yangtsze Valley

BY C. Y. W. MENG 孟昭洋

THE situation in Inner Mongolia has taken a turn for the worse. Japan and Manchukuo are renewing their efforts to establish a semi-independent, if not entirely independent, state in Inner Mongolia. Large quantities of munition supplies are being sent into Inner Mongolia from Mukden. The new railway from Jehol to Chahar, linking Chihfeng with Dolonor, which is near completion, and with another branch line linking Dolonor to Pingtichuan, will be of great military importance in time of war. The Japanese military planes had also visited many times the Province of Suiyuan during the month of June. Unfortunately, few people in other parts of China have realized the seriousness of the situation, or know of the feverish military preparations which have been going on during the past month or two in Inner Mongolia—the fall of which into Japanese control is generally considered imminent. But it is equally unfortunate that few people have realized that the Japanese aggression has already been extended to the Yangtsze Valley.

Yangtsze Valley—"China's Industrial Reconstruction Center"

Like North China, the Yangtsze Valley is a "life-line" to China. According to the Chinese "4-Year Industrial Plan," the Yangtsze Valley is designated as China's "Industrial Reconstruction Center." We could do no better than to quote what was once said by Chen Kung-po, former Minister of Industry, in discussing China's industrial plan: "After mature consideration, no more suitable place, I believe, can be found for such a purpose than the Yangtsze Valley." In the first place, the seat of government is established on this river. Secondly, the Yangtsze flows through six of the most fertile provinces in China, bringing within reach the purchasing-power of some 200,000,000 people, and providing as a result of Nature's gift the largest market for the nation's production. Thirdly, the foreign trade passing through Yangtsze ports represents some 60 per cent of China's commerce with the world. Fourthly, the Yangtsze, with a total length of 3,200 miles, is by far the longest river in China, which provides means of transportation far more economical than by land.

Szechuen, the "Heavenly Residence!"

But along the Yangtsze Valley, Szechuen is the largest province, rich in native products, such as famous "tung (wood) oil"—which constitutes one of China's principal exports to America—; and other natural resources, such as gold, copper, coal, iron, sulphur, asbestos, saltpeter, lead, antimony, rock salt, petroleum wells, artesian wells, salt wells. It has an area of 1,300,000 square kilometers, and a population of no less than 70,000,000 people—larger than that of Germany! Traditionally, the Province of Szechuen is known in Chinese history as the "Heavenly Residence."

Since the march of General Chiang Kai-shek's "ever-victorious army" to Szechuen in his successful anti-communist campaign, Szechuen has been put in order, and has been placed entirely under the control of the Central Government. The armies in Szechuen were re-organized; many illegal taxes, collected 10 or more years ahead, were abolished; and many evils were wiped out. According to the report, the Ministry of Railways has decided to build one railway linking Szechuen with the Province of Yunnan. The Sino-French contract providing for a loan of Fr. 26,000,000 to the Central Government for the construction of a railway linking Chengtu with Chungking was already signed on July 20, while the construction of a $20,000,000 sugar refinery in Szechuen is also under preparation. The "Szechuen Investigation Party," organized by the Southwest Reconstruction Society in Nanking, left for Szechuen a few days ago to investigate mineral resources, light industries, agriculture and education in the province. That China strongly intends to make the Yangtse Valley China's "Industrial Reconstruction Center," and to develop the Province of the "Heavenly Residence," goes without saying.

British Attempt to Exploit Szechuen Opposed

It is to be remembered that sometime in 1934, the manager of one Chinese bank (Young Brothers' Banking Corporation in Shanghai) was delegated by Gen. Liu Hsiang, the then chairman of the Szechuen Provincial Government, to proceed to London to negotiate for a "loan" from the British financial interests for the exploitation of some of the mineral resources in Szechuen. Sir Miles Lampson, the then British Minister to China, once took an air trip to Szechuen, apparently in connection with the project. But the Szechuen Residents Union in Shanghai and the Chinese Students Association in London raised bitter opposition to the project. Both petitioned the Government to stop the negotiations, and accused the general as a "traitor" by "selling the national assets to the foreign countries." As a result, the project was eventually dropped.

Japanese Aggression to the Yangtsze—"Reopening" of Consulate in Chengtu

But now comes the Japanese aggression! According to a report filed by Mr. Kawagoe, Japanese Ambassador to China, with the Ministry of Foreign Affairs, Japan has demanded the "re-opening" of the Japanese consulate general in Chengtu, Szechuen Province. Eiichi Iwai was appointed as the acting consul-general. But according to the report from the *Central News Agency*, the Nanking Government expressed opposition to the plan of reopening on the ground that the city is not an open port. But Gaimusho officials, according to the *Domei* report, made it very clear that "any obstructive move that may be taken by the Nanking Government against the plan will be considered as an unfriendly act," and that "the Japanese Goveenment will reopen the consulate-general in spite of the attitude of Nanking Government."

The Gaimusho official seemed to have contended that the Japanese consulate-general in Chengtu was closed only "temporarily" due to the anti-Japanese atmosphere which was created by the Manchuria incident, and that the matter is only a "re-opening," not an opening. But the Japanese officials are reminded that the opening of the Japanese consulate-general in Chengtu was never recognized by the Chinese Government, and the National Government has never granted its exequatur to the Japanese consul-general in Chengtu to recognize him as such. It was illegal at its inception. Even, should it be in existence today, the Chinese Government has every right to demand its abolition and to arrest the Japanese consul-general in Chengtu. It is not a simple matter of reopening. So it must be opposed. According to another report, the branches of the "Special Service" of the Japanese Kwantung Army "will be established in Kiukiang, Shasi, Nanchang, Hankow, Chungking—all these are industrial and commercial centers along the Yangtse Valley—for the cultivation of Sino-Japanese friendship." According to a further report, "Special Trade Associations" will also be established in Hopei, Shantung, Kiangsu, Fukien and Kwangtung to push the sale of Japanese smuggled goods in China." The term—"special trade"—is a Japanese invention to replace the word—"smuggling"—just to deceive the world and to "save Japanese face."

To most observers, they know well that the so-called Japanese "Special Service Bureau" is but one of the many Japanese "secret organs." It is an "empire-making" and "intrigue-formulation" organ of the Japanese militarists, financed by the "secret funds" of the Tokyo War Office. It is the "vanguard" of the Japanese army march. Where the Bureau is established there the Japanese military actions will follow.

The Renewal of the Japanese Concession in Hangchow

Sometime ago, Japan had also demanded, and had succeeded, in demanding the renewal of the Japanese concession in Hangchow, Chekiang Province. Chekiang Province is one of China's most strategic provinces. The demands for the renewal of the Japanese concession in Hangchow; for the re-opening of the Japanese consulate-general in Chengtu; and the establishment of net-like "secret organs" in all industrial and commercial centers along the Yangtsze Valley tell us very clearly that the Japanese aggresion—military as well as economic—is now being extended to the Yangtsze Valley. China should now realize that the Japanese aggression does not stop with the Great Wall. Japanese aggression has no limit; Japanese aggression is aimed at conquering the whole of China! Central China will soon meet the same fate that North China is meeting!

Where the British and Japanese Interests Conflict

When the Japanese invasion of Manchuria began, Russia contended that it was China's own problem, and that Russia had no idea of being involved in the conflict, and Russia wanted to go on with her 5-Year Industrial Plan. But when the Japanese army marched further on, Russia began to worry over the situation, and began to prepare for the eventuality. When the Japanese aggression reaches Inner Mongolia, the Russo-Japanese conflict will begin. The same hing is true with Great Britain. When the Japanese aggression was proceding in North China, Great Britain also contended that it was a Chinese problem, and that the British policy towards the situation should be essentially a policy of "friendly to both (China and Japan)." But when the Japanese aggression came inside of the Great Well, Great Britain began to worry. When the Japanese aggression further comes down to the Yangtsze Valley, the Anglo-Japanese conflict will begin. That Great Britain is much perturbed over the situation, and that an Anglo-Japanese conflict is in sight may be seen by the report which Yoshida, Japanese Ambassdor in London, submitted to Tokyo, which stated that Great Britain's stand is that the latter "will unswervingly insist on the maintenance of Britain's acquired rights and interests in China," and "intends to use its influence to bring Eastern Hopei and the Hopei and Chahar Political Council under the control of the Central Government," and that "the British Government disapproves of Japan's policy in enlarging her sphere of influence in China, etc."

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What Next?

The present situation is fortunate as well as unfortunate for China. It is fortunate where we find a "common interest" between Chinese and British interests in the present period, which, we hope, will result in Sino-Anglo co-operation during the present Chinese national crisis. This common interest is not so much in Shanghai as it is in the maintenance of the integrity of South China and the hinterland round Hongkong. While the decisive struggle for Chinese independence will probably take place in the plains of North China, it is only in regard to South China and the Yangtsze Valley areas that Britain and China may reach accord in their relations during the next decisive years. But it would be unfortutate should the situation result in an "Anglo-Japanese common understanding" regarding China, which might lead to the revision of the "Anglo-Japanese Alliance." There is no doubt that the Japanese diplomats in London must be very active, and are exhausting all their eloquence to convince and assure Whitehall that Japan has no territorial ambition in China, and that she will unquestionably respect all British acquired rights and interests in China. The Tokyo officials must demand the immediate opening of negotiations with Great Britain on "various China questions." There is no doubt that Japan in turn will seek for a British understanding of Japan's "special position" as a "stabilizing factor" in Eastern Asia, similar to what was once provided in the Lansing-Ishii Agreement. But what we worry about is, how will the Chinese leaders in the Government handle the situation. Will the situation result in the actual revival of the Anglo-Japanese Alliance; the signing of another "Lansing-Ishii Agreement" in which Great Britain recognizes Japan's special interests or position in China; or, a change of the British policy from "friendly to both" to "friendly to the victim of the aggression only", and the "Sino-Anglo co-operation" to thwart the Japanese aggression in China? All these are possible. It all depends how the Chinese will handle the situation. All these questions will be the deciding factors of the final situation in the Far East. China is now apparently facing another "critical period" in her history.

As most observers are aware, one of the great factors which constitutes Herr Hilter's success in foreign affairs is his ability in causing the disintegration of the wartime "association" of Great Britain, France and Italy, and in destroying the "Stresa front" against Germany. So with China. Whether China would be saved from the Japanese aggression, will depend much on whether China would be able to break down the Japanese efforts of seeking for some "common understanding, etc." with other powers regarding China. But on the other hand, it must be pointed out that whether Japan would be able to dstroy China's efforts towards seeking Sino-foreign co-operation would be one of the deciding factors of Japanese aggression in China, if the aggressor wants to make it a final success.—while Russia holds the key to the situation in South and Central China.

Such in the situation! So the necessities of the situation demand that Nanking should discard the present "isolation," "realist" policy, and embark upon an active diplomacy. Nanking must be careful! Great Britain is a most "fickle" nation. To-day Mr. Hoare is sent to Geneva to invoke the application of sanctions against Italy. Tomorrow, Great Britain will be one of the first nations to "lift" the sanctions. So today, Great Britain might send Sir Leith-Ross to China. Tomorrow, Great Britain might go over to Japan to revise the Anglo-Japanese Alliance. Nanking must wake up! Nanking must take action before it is too late.

Nanking, August 1, 1936.

U.S. Court Judgment Orders Charles H. Raven, Jr., to Pay $2,160 Damages

Judgment was delivered against Charles H. Raven, Jr., in the U.S. Court for China Aug. 4 ordering him to pay $2,160 damages to Mrs. Chen Wong-shih as the result of an accident April 17 when Mr. Raven's motor car hit a wheelbarrow coolie by the name of Chen Shan, the husband of the plaintiff, causing injuries from which the man died early the next morning.

The case turned on the point that motorists in Shanghai must expect to encounter various hand-propelled vehicles, and as long as those vehicles are travelling on the left side of the road they have equal rights with the motorist in the use of the road. Judge Helmick in reviewing the evidence said he believed that Mr. Raven's view had been temporarily impaired by the headlights of an approaching motor car shortly before the accident occurred. Coming to an important part of the case, the Judge stated that he believed that the wheelbarrow that Chen was pushing had a lighted lamp, although it was quite probable that it was not visible to the defendant, in view of the fact that the deceased had probably been between the lighted lamp and the car. "In this case the wheelbarrow coolie was proceeding alone along Avenue Haig in his proper place at the left hand side of the street. He was doing nothing but continuing on his lawful way when he was run down from behind. Under the law all vehicles of every type have equal rights to the lawful use of the public road," Judge Helmick held.

Thousands Take Examinations at Central Political Training Institute

Exceeding all previous records, more than 3,500 students registered for this year's entrance examination at the Central Political Training Institute held Aug. 3 and 4. More than 2,000 registered in Nanking, 1,000 in Peiping and over 500 in the Wu-Han area.

In order to prevent irregularities, Messrs. Yeh Chu-tsang, Secretary-General of the Central Executive Committee, Sun Fo, President of the Legislative Yuan, Chen Kuo-fu and Ting Wei-fen, members of the Central Executive Committee,—who are members of the School Affairs Committee—will personally supervise the examination.

Seventy-four students belonging to this summer's graduating class of the Peiping Academy have launched an agitation against the school authorities for their alleged failure to report their names to the Bureau of Social Welfare of the Peiping Municipality, thus preventing them from sitting for the recent joint examinations held under the auspices of the Bureau.

Nanking to Open Class for Radio Announcers and Cinematographers

In line with its mass education promotion program, the Ministry of Education will open a class in Nanking in September for training cinematographers and radio announcers. Educational authorities have been instructed to send competent men to Nanking for training.

The Ministry of Education in a circular order to all middle schools has instructed that at least one set of wireless receiver should be installed at the earliest possible date in their campus. Subsidies granted last year by the Ministry of Education to schools in various provinces and cities for the installation of radio receiving sets amounted to $82,760.

Universities Help Graduates to Get Jobs

In order to assist their graduates in securing employment, four Government universities, namely, the Chiaotung University (Shanghai), the National Tsinghua University, the National Peiping University (Peiping) and the National Sun Yat-sen University (Canton), have submitted a list of the names of their graduates, majoring in engineering, to the Ministry of Industry recommending them for jobs.

100 of the successful candidates at the forthcoming civil service examination for college and university graduates, will be given appointments, it is announced by the Examination Office established by the Hopei-Charhar Political Affairs Committee.

Application is now open until the end of August by unemployed college and university graduates for "civil service" training under the auspices of the Executive Yuan and the Ministry of Education, according to an official announcement issued in Nanking July 30.

Tientsin School Girl Detained by Bandits

Miss Liu Shu-yun, a graduate of the Hopei Girl's Normal School in Tientsin, is being held by bandits for $50,000 ransom, says a report from Peiping. Miss Liu left Tientsin on July 26 for Peiping where she was planning to take the entrance examination to one of the local universities. Two days later her father received a note from the bandits demanding that $50,000 be handed over for the girl's release. The outlaws warned Liu that his daughter would be killed if he informed the police, but Liu immediately notified one of his relatives at Paotingfu, who subsequently informed the police to be on the lookout.

Nanking Announces Educational Program for Tribesmen

A concrete program for the promotion of education among Mongols, Tibetans, Mohammedans and Miao tribesmen was sent by the Ministry of Education Aug. 1 to the responsible authorities for enforcement. The program inludes the training of teachers, establishment of primary schools, promotion of social and productive education, compilation of textbooks and sending of students abroad for advanced studies. Distribution of $500,000 as a subsidy for the promotion of education in the border provinces during the current fiscal year was also announced by the Ministry. The recipients are Kweichow, Yunnan, Kansu, Sikong, Chinghai, Ninghsia, Suiyuan, Sinkiang, Chahar, Shensi, Szechwan, Hunan and Tibet.

Hankow Students Hold Demonstration

A huge demonstration was staged by Chinese students in Hankow July 18 when the students unanimously decided to send a petition to Nanking, urging the latter to declare war on Japan, the *Kwangsi Laichow Jih Pao* of said date reported.

Competitive examinations for scholarships in the United States, offered by the National Tsinghua University, will be held simultaneously at Peiping and Nanking, beginning from Aug. 24, it is officially announced. Applications for the examinations should be filed either with the Alumni Association of the National Tsinghua University in Peiping or with the National Central University in Nanking between the 17th and the 20th inst. Twenty scholarships will be granted this year.

Delegates who will go from China to the special Pacific Area Conference of all National Student Christian Movements Around the Pacific to be held in Oakland, California, on August 23-September 2 are shown above. They are: (Back row, left to right) Misses Huang Siu-chi of Fukien Christian University, Foochow; Tou Hsieh-chien of Yenching; Gao Gi-yung of Ginling College, Nanking; Susan Tseng, student secretary of the Peiping Y.W.C.A.; and (front row, left to right) Messrs. Tan Jen-mei of Fukien Christian University faculty; Liu Liang-mo of the Student Division of the National Committee Y.M.C.A., Shanghai; Kiang Wen-han, vice-chairman of the World's Student Christian Federation and Executive Secretary of the Student Division of the National Committee Y.M.C.A.

Pacific Area Conference of Student Christian Federation Will Meet in California

A special Pacific Area Conference of all the National Student Christian Movements around the Pacific will be held at Mill's College, Oakland, California, from August 23 to September 2. The Conference has been called under the auspices of the World's Student Christian Federation to consider the following subjects: (a) Issues Confronting Christian Student Groups in the Pacific Area Today, (b) Our Common Share in the Forces Creating Tension and Conflict, (c) The Christian Answer to the Problems Confronting Christian Student Groups in the Pacific Area, (d) The Responsibility of the World's Student Christian Federation. The Conference will have a total attendance of about 150 people consisting of representative delegations from the Student Christian Movements in Australia, Canada, China, India, Japan, Java, Korea, Mexico, New Zealand, Philippines, Siam, South America, Straits Settlements and the United States of America.

China is a member of the World's Student Christian Federation through the the Student Division of the National Committee Y.M.C.A. in Shanghai. The latter has jointly worked out an official delegation as follows: Miss Gao Gi-yung of Ginling College, Nanking; Miss Tou Hsieh-chien of Yenching University, Foochow; Cheung Shao-kwai of Lingnan University, Canton,; Tan Jen-mei of Fukien Christian University faculty, Foochow; Liu Liang-mo of the Student Division of the National Committee Y.M.C.A., Shanghai. The Chinese delegation departed from Shanghai August 2 on the s.s. *President Lincoln*. They were accompanied by Miss Susan Tseng, student secretary of Peiping Y.M.C.A., and Kiang Wen-han, Vice-Chairman of the World's Student Christian Federation and Executive Secretary of the Student Division of the National Committee Y.M.C.A. of China, who will also attend the Executive Committee meeting of the W.S.C.F. which will meet immediately after the Pacific Area Conference.

Woman School Teacher Removed from Office in Peiping

Acting under instructions from General Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Council, the Bureau of Social Welfare of the Peiping Municipality has dismissed Miss Yuan Shu-tseng from the principalship of the Second Municipal Middle School for Girls. At the same time the Bureau has ordered an investigation of the charges made against the principal by the parents of a number of students of the school. The school was established last autumn following the decision of the then Mayor, Yuan Liang, to forbid co-education in local middle schools. The

charges against Miss Yuan are that she did not engage qualified teachers, that the textbooks used in the school are not good, that she removed important administrative officials without any adequate reason, and that the students of the school fared worst in the recent joint examination for the graduates of local middle schools, thus indicating that the school has failed to maintain a high standard of instruction.

Students to Get 30 Percent Reduction for Yangtsze Travel

In order to encourage river traffic, students who wish to travel along the Yangtsze River in 1st or 2nd class cabins will be given a reduction of 30 per cent in passenger fares. An order to this effect was issued Aug. 3 by the Ministry of Communications to the China Merchants Steam Navigation Company.

Syracuse-in-China Hospital in Chungking Opens Anti-Opium Clinic

The Chungking correspondent of the *North China Daily News* July 21 stated that the Syracuse-in-China Hospital had notified organizations in that city that it has established a special department for examining government employees who are addicted to opium. This will be done by the most modern methods. Owing to lack of funds the Chungking Anti-Opium Hospital for Laborers is in imminent danger of being forced to close down. The No. 1. Asylum of Chungking is also in financial difficulties, and the directors are being approached by creditors of the hospital. Out of a total of 504 beggars in the asylum, 104 are stated to have run away, the reasons being given as poor management and bad treatment of patients. Chungking financiers are stated to have agreed to lend $300,000 to the Provincial authorities to enable them to monopolize the sale both of raw and prepared opium in Szechuen. This loan is to be liquidated in six months at an interest rate of 12 per cent.

Up to the present, the registered opium addicts in Chungking number over 23,000, as compared with the estimated total of 40,000. With the exception of 12,000, who are stated to have got rid of the habit in government hospitals, there are only about 5,000 smokers who are not registered.

Information Bulletin Contains Statistics on Opium Suppression

In a new issue of the *Information Bulletin*, Vol. 1 No. 9, the work of opium suppression in China is described by Tze-hsiung Kuo, a research fellow of the Council of International Affairs, Nanking. This booklet contains a number of statistical materials and several photographic reproductions illustrating the efforts made by the Government with a view to ridding the country of the opium evil. Mention is made of certain foreign obstructions which have considerably handicapped the carrying out of the suppression policy of the Chinese Government. The *Information Bulletin* is published thrice a month, and can be secured at the Council of International Affairs, 1 San Tiao Hsiang, Drum Tower, Nanking.

Heroin Seized on Tsingpu Train

More than 40 packages of heroin, weighing more than 13 pounds, were seized by police guards on a Tientsin-Pukow train near Tientsin Aug. 1. The drug was carried by a Korean.

A consignment of more than 200 pounds of opium was also discovered aboard a southern bound Peiping-Shanghai through train. The drug was despatched as luggage. The traffickers were not detected.

New Kwangtung Government Takes Steps to Suppress Opium and Gambling

Measures for the suppression of opium and gambling were discussed at a meeting of the Kwangtung Provincial Government Committee July 28. It was decided that the measures be referred to T. L. Soong, Provincial Commissioner of Finance, for examination.

A consignment of 26 packages of "red pills," valued at over $10,000, was seized and the smuggler arrested by railway guards at Chengchow Aug. 3 The smuggler and the contraband were immediately handed over to the Special Administrative Commissioner's Office for the 1st Area for disposal.

Japan to Increase Its Oil Tanker Fleet

The Tokyo *Yomiuri* July 25, in discussing the oil situation, stated that Japan at present consumes gasoline and heavy oil to the extent of more than 3,800,000 tons a year. The larger portion of this amount comes from foreign countries. Japan, however, possesses only 230,000 to 240,000 tons of oil tankers, whereas this tonnage is only 10 per cent of that of Britain and the United States. More than 1,000,000 tons of the total oil imports of 3,800,000 tons is carried to Japan in foreign vessels. The authorities are therefore taking steps to increase the number of oil tankers.

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Labor Union Urges Revision of Income Tax in Favor of Small-Salaried Workers

That the Regulations governing the imposition of the Income Tax be revised in favor of small salaried workers, was urged by the Shanghai Labor Union in a petition to the Central Government July 29. According to the regulations, income below $30 per month will be exempt from taxation, but income ranging from $30 to $60 per month will be taxed at the rate of $0.05 (five cents) for every $10. The petition points out that this tax, though small from the standpoint of the Government, will however be a heavy burden on low salaried workers who earn $30 or $40 per month and who have to support a family including aged parents and children.

Beginning from August 1, the income levy (*So-Te Chuan*) hitherto collected by order of General Chen Chi-tang on the salaries of public functionaries, for alleged national defence, was abolished by General Yu Han-mou, Pacification Commissioner for Kwangtung and concurrently Commander-in-Chief of the 4th Route Army.

Shanghai City Government Has a Deficit of Five Millions

The City Government of Greater Shanghai had a deficit of over five million dollars by the end of the fiscal year ending on June 30, 1936. According to well-informed circles, the budget for the fiscal year 1936-1937 will be balanced at $10,000,000.

Hoard of Canton Gamblers Included Silver and Rifles

As the result of systematic search by the special affairs corps despatched by the Commander-in-Chief's Headquarters of the 4th Route Army, $360,000 in silver and 30 rifles hidden by Ho Chih-ting, the operator of a number of gambling and opium dens in Kwangtung, were found in the Yusheng pawnshop at Namhoi district, near Canton, on July 29. The pawnshop is owned by Ho. He is also liable for payment of $7,000,000 "gambling tax" due to the Kwangtung provincial treasury.

Kwangtung to Adopt "Big Money"

Concrete measures for the adotion of the "big money" system in Kwangtung have been formuated, Hao Chung-kuang, secretary of the Department of Finance of Kwangtung, informed the *Central News Agency* Aug. 1. Steps will also soon be taken by the Department for the abolition of the special tax imposed on imported rice by order of General Chen Chi-tang.

Chen Chi-tang Allegedly Spent $80,000,000 of Kwangtung Funds

According to reports published by the *Lib Pao* General Chen Chi-tang spent no less than $80,000,000 of the "national" and "provincial" revenues of Kwangtung. No accounts are available to show how this large sum of money was spent. In a telegram to T. L. Soong, Dr. H. H. Kung, ordered a thorough investigation of the financial corruption in the Province and asked that severe punishment be meted to the culprits.

Salt Surtax to Be Abolished in Kwangtung

H. O. Tong, new Salt Commissioner for Liang Kwang, July 31, announced that in order to lighten the burden of consumers, salt surtax which was hitherto enforced in Kwangtung will be abolished. To tighten the grip on smuggling, Mr. Tong also decided to restore the 18th Salt Guard Company which was dissolved by Chen Wei-chow, the deposed commissioner, sometime ago.

Dr. H. H. Kung, Minister of Finance, in identic instructions to the Chief Inspectorate of Salt Revenue and the Salt Commissioner's Office for Kwangtung and Kwangsi province, ordered a uniform salt tax of 50 cents per 100 catties to be levied, while all surcharges on same are to be abolished.

Central Bank of China to Open Branch Office in Canton

Preparations are underway for the organization of the Canton branch office of the Central Bank of China. However, says the *Shun Pao*, it has not been decided whether the authorities will reorganize the Kwangtung Provincial Bank into the Canton Branch of the Central Bank of China or not.

Arrest of Note Counterfeiters Ordered

In view of the recent appearance of forged bank notes in Peiping, Tientsin and numerous other cities and villages in this region, the Hopei-Chahar Political Council Aug. 1 circulated an order for the arrest of the responsible counterfeiters. Up to date, many people have been victimized by these imitation notes, it is said.

Szechuan Reconstruction Bonds to Be Issued Sept. 1

With the permission of the Central Government, the Szechuan Provincial Government will issue the Szechuan Reconstruction Bonds, amounting to $30,000,000 on Sept. 1, according to financial circles in Chungking. The money will be used for the building of the Chengtu-Chungking Railway.

$48,644,055 Worth of Exorbitant Taxes Abolished

Indicative of the determination of the Central Government to lessen the burden of the people, exorbitant taxes and miscellaneous levies amounting to $48,644,066.60 have been abolished in various provinces and municipalities during the past two years, according to investigations made by the Statistics Department of the Central Kuomintang Headquarters.

Japanese Economic Control in China

The *Sin Wen Pao* Aug. 3 state that for the purpose of effecting an economic control in North and South China, the Japanese authorities have decided to augment the Formosan and Korean Banks. Branch offices of these two banks will be established in important centers in North and South China.

Income Tax to Be Enforced from September 1

Advices from Nanking state that the collection of income tax throughout the country will commence on Sept. 1. Income tax on business profits will be collected twice a year—for those using the Western calendar during the months of July, August and September, and for those using the Lunar calendar during February, March and April. Collection will be made from both Chinese and foreigners, whether residing inside or outside Concessions. An inheritance tax will be collected during the current fiscal year, and the Legislative Yuan will draft an inheritance tax law as soon as the summer holidays are over.

No Foreign Loan Possible at Present Time, Says "Ta Wan Pao"

The report to the effect that an international loan of £20,000,000 would be granted China is regarded in Shanghai by well-informed financial leaders as groundless, the *Ta Wan Pao* of July 30 stated. According to the Shanghai bankers, no international loan can be concluded at this time of serious international complications. Similar to the recent rumor of an American loan, the bankers, took this present rumor as another attempt of the speculators to obtain personal profit.

China Trade Mission to South Seas Accorded Warm Welcome at Manila

Upon its arrival in Manila July 23 the Chinese Trade Investigation Mission, organized under the auspices of the China Industrial and Foreign Trade Association, was accorded a hearty welcome by the authorities and representatives of various Chinese business organizations in the Island capital.

The mission, following its arrival in Manila, issued a statement regarding the purpose of the visit, which it was stated was to make an investigation of the present conditions of overseas Chinese; to acquaint overseas Chinese with recent conditions of their home country and the construction work being accomplished there; to make known the conditions of merchants dealing in native products in the home country; to make an investigation of the daily life of overseas Chinese; to make an investigation of the tendency of the South Seas markets and the people's purchasing power; to consult with overseas Chinese merchants on measures for marketing Chinese products; and to make an investigation of the monetary system and the conditions of foreign exchange in various places in the South Seas.

Pupils in Roman Catholic Schools in China

(*Chinese Recorder for August*)

Statistics compiled at the Sinological Bureau of Siccawei show that 417,463 young Chinese are being educated in institutions maintained by Catholic missions. The total enrollment increased by more than 25,000 last year. The following table illustrates the distribution of the pupils and the growth in numbers.

	1933-1934		1934-1935	
Prayer Schools and Elementary Schools	10,464		11,523	
Pupils		218,492		229,539
Primary Schools	3,877		4,117	
Pupils		151,196		170,753
Secondary and High Schools	102		88	
Pupils		16,519		12,263
Normal Schools : students .		396		806
Catechist Schools : students		2,199		1,962
TOTAL	14,549		15,876	
		388,802		415,323

The apparent loss in the secondary schools is explained by a change of classification, some schools which were formerly considered secondary now being classed as primary.

The present enrollment at the three Catholic universities of China is shown by the table below :

	Univ. Courses		*Under-Graduates*		
	Cath.	*Non.-Cath*	*Cath.*	*Non-Cath.*	*Total*
The Catholic University "Fu Jen" (Peiping)	45	500	110	236	891
The "Aurora" Univ. (Shanghai).....	109	216	69	242	636
The "Hautes Etudes" Institute (Tientsin) ..	37	86	111	379	613
TOTAL.....	191	802	290	857	2,140

Formosa Builds Strong Defenses

BY THE REVIEW'S FOOCHOW CORRESPONDENT

CHINESE who return to Amoy from visits to Formosa say that Formosan military authorities have lost no time in rushing to completion national defenses. Two fortified areas has been established at Sheh Liao Tao and Pang Chia Tao. Up-to-date anti-aircraft guns are installed at all lighthouses throughout Formosa. To facilitate military transportation, motor roads connecting Keelung and Tai Pei, Tai Peh and Sin Chu, Sin Chu and Tai Chung, Tai Chung and Tai Nan, Tai Nan and Kao Hung, are being rebuilt and will be completed this year.

As Japan is pursuing her southward-advance policy, the fortifications of Formosa are obviously of great significance.

70 Japanese Warships in Formosan Channel

More than seventy Japanese warships were maneuvering in the Formosan Channel from July 25 to the end of July, the crew consisting of fifty thousand officers and men. Japanese naval authorities asked the Fukien Provincial Government to dispatch naval officers to view the grand display.

Chen Chi-liang, Commander of the First Fleet, at Amoy

In view of the fact that foreign warships have of late frequently visited Amoy and Foochow and warships of a certain country maneuver in Chinese waters, the Ministry of Navy has sent Chen Chi-liang, Commander of the First Fleet, to Fukien with a view to insuring the safety of Fukien coastal defense. Commander Chen and his fleet arrived at Amoy on July 20.

It also has been reported that Commander Chen Chi-liang has been appointed by Nanking as Commander of Garrison Forces at Hainan Island and concurrently Commander of Garrison Forces at Fumen, a place of strategic importance in Kwangtung province.

Japanese military attaches stationed in various provinces of South China will hold a conference in Fukien shortly, but whether the conference will meet at Foochow or Amoy has not been disclosed. The *Min Pao*, Japanese organ at Foochow, flatly denied the report that there will be a conference of military attaches in Fukien.

Japanese Call on Chairman Chen Yi

On July 23, two Japanese called on Chen Yi, Chairman of Fukien Provincial Government, and conferred with him about the fishery problem. Owing to proximity to Formosa, Chinman and Amoy are two Fukien fisheries into which Japanese fishermen often make inroads. As a result of Japanese fishing-boats plying China seas, disputes frequently arise between Chinese and Japanese fishermen. Worse still, Chinese fishermen, conservative, can hardly match Japanese fishermen, who use scientific methods of fishing. A majority of Fukienese fishermen are thus thrown out of employment. With the bankruptcy of rural economy, and decline of the fishing industry, Fukien is becoming a poverty-stricken province.

Forty Naval Cadets Expelled

About forty cadets of the Naval Academy, Mamoi, Foochow, were expelled, allegedly for breaking school rules. Those expelled requested Admiral Chen Shao-kuan, Minister of Navy, to give them a chance of repentance. Admiral Sah Chen-pin also asked Admiral Chen to do the same thing, but despite these requests, Admiral Chen did not comply with their wishes on the ground that the cadets had formed a political organization in the naval academy, maintaining connections with the Southwest.

Fukien Will Have 6,298 Kilometers of Highways

Fukien will before long have 6,298 kilometers of highways, including trunk lines and branch lines. The total length of trunk lines already completed reaches 2,220 kilometers. There are five trunk lines: (1) Fukien-Chekiang Line, (2) Fukien-Nanking Line, (3) Fukien-Kwangtung Line, (4) Fukien-Kiangsi Line and (5) Fukien-Hunan Line.

West Fukien Becomes a Smuggling Center

Heretofore, goods in large quantities have been smuggled into South Fukien. As result of preventive measures taken by revenue-cutters, smuggling activities in South Fukien have practically stopped. The smugglers, however, convey their goods to West Fukien. Lungyen, an important district in West Fukien, is now flooded with smuggled goods. Sugar occupies the first place, and piecegoods second.

Exploration of Anchi Mines Suspended

For several months, Chinese and Japanese engineers have cooperated in exploring the iron mines in Anchi (Southern Fukien). Owing partly to the financial difficulties of the provincial government, but chiefly to the threatening bandit situation, the exploration has been brought to a standstill. All Japanese engineers have returned to their country.

Foochow, July 24, 1936.

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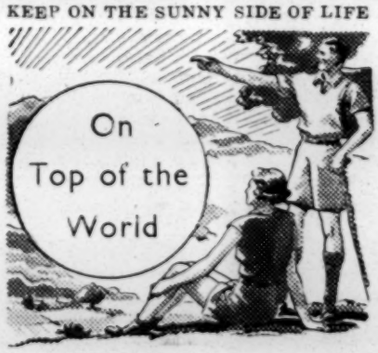

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Japanese Newspapers Inject Politics Into Trial of Murder Suspects

"Hsiao Kwangtung" and Yang Wen-tao, leading figures in the sensational "Nakayama trial," which was scheduled to be resumed Aug. 5 were described by the Shanghai *Nippo* as "professional assassins," who had had "their fingers in almost every notorious political murder of recent years." "It must also be noted," the paper declared, "that the two men have been actively engaged in anti-Japanese work since the Manchurian incident of 1931. "Both of the accused men," the daily continued, "are members of the Ou Pang, the notorious Cantonese underworld organization, controlled by the Hung Hsin Society." The *Nippo* assailed the local office of the Kuomintang for continuing its alleged efforts to secure the release of "Hsiao Kwangtung" and Yang.

Expressing regret at the failure of the Public Safety Bureau to arrest the assassin of Kosaku Kayau, a Japanese sea-food broker, shot and killed on July 10, the Japanese daily saw little hope for the Chinese Government's efforts to secure the return of foreign settlements and concessions in China at an early date. The daily expressed its scepticism over the attitude of the First Special District Court, and predicted that an acquittal of the accused would result in a revival of political assassinations. "That Yang and Hsiao Kwangtung had committed the crime is beyond any doubt," the Japanese paper asserted. "It is useless, however, to indulge in talk now. We must await the sincere and just verdict of the Court." The *Nippo* concluded by urging the Nanking Government to suppress all anti-Nipponese and professional assassins' organizations, to prevent the recurrence of "lamentable cases."

The present indications are that no decision in the case will be arrived at in the near future despite the clamor of the Japanese community.

Despite all the heat which the Japanese newspapres tried to generate, the mass meeting of protest which the Japanese community has so often threatened to hold has, so far, not eventuated. The mass meeting has been discussed among local Japanese leaders ever since July 10 when Kosaku Kayau was mysteriously killed in almost the same manner as Warrant Officer Hideo Nakayama. At that time, officials of the local Japanese Consulate were said to have advised against such a meeting, fearing that the feeling of the Japanese here would be fanned on to an uncontrollable state.

The *Nippo*-article, extracts from which are quoted above, followed previous articles in the same paper and in the Shanghai *Mainichi* prominently featuring reports of minor difficulties of their nationals by magnifying insignificant happenings into stories strongly suggesting that racial motives were the underlying causes. The *Mainichi* reported an alleged attempt by Chinese to stone an unnamed Japanese Buddhist priest while the latter was riding down Nanking Road recently. The priest was not injured, but immediately reported the incident to the local Japanese Consular Police. The *Nippo* also featured a lengthy account of one Hisashi Kawada's argument with a ricsha coolie over a fare. Kawada alleged that the coolie brandished a brick at him, and that a whole mob of Chinese had surrounded him, attracted by the argument. The incident was brought to an end by a Chinese policeman who effected a compromise by having Kawada pay an additional 10 cents to the coolie.

Japanese Officials Urge Speedy Conviction

Kaname Wakasugi, Japanese Consul-General called on General Wu Te-chen, Mayor of Greater Shanghai, Aug. 3 to ask for the speedy apprehension of the murderers of Kosaku Kayau. The Japanese official mentioned that more than three weeks had elapsed since Kayau was shot and killed in Chi Mei Road on the night of July 10, without the discovery of a single clue by the Chinese police.

A *Reuter* message from Nanking July 30 stated that Kao Tsung-wu, Chief of the Asiatic Affairs Department of the Foreign Office, had interviewed Mr. Kawagoe, the Japanese Ambassador, in Shanghai concerning the Kayau murder case and also exchanged views on minor Sino-Japanese questions.

Two officials of the Japanese Consulate-General called on Paul Y. Ru, assistant municipal advocate, end of last week in regard to the Nakayama case. It is understood they intimated that a speedy conviction of the three men is desirable. Agitation for an immediate verdict in the case has been gathering force in the Japanese community and dissatisfaction with the delay has been freely voiced.

Alleged Connections Between Shanghai Kuomintang Headquarters and the Assassination Group

The *Nippo* said that during the Mukden event, both Yang and Yieh were leaders of the anti-Japanese movement. The existence of the Kuomintang headquarters is unquestionably the indirect cause of unfortunate accidents, such as the murder of Nakayama. At present, the activities of the Kuomintang headquarters are being watched closely by the Japanese authorities, the *Nippo* said.

The Bureau of Public Safety has added another $1,000 to each of the two rewards offered in the case of Kosaku Kayau. Any person or persons who guide the police in the arrest of the culprit will now be given $3,000, and any person or persons who supply information leading to the apprehension of the murderer will be offered $2,000.

Shipping on Upper Yangtsze Suspended Because of High Water

Shipping on the upper Yangtsze River in Szechuan province was suspended Aug. 4 as a result of the sharp rise caused by heavy rainfall during the previous several days. The water level at Chungking registered 81 ft. Aug. 3, being 16 ft. higher than on the previous day. The Chialing River showed a rise of over 10 ft., and the Hsia and Tu Rivers also are gaining in height. Large tracts of farmland in Chienyang and Tsuchung, along the Yangtsze, have been inundated. The Chengtu-Chungking Highway also has been affected and the omnibus service is disrupted.

Yangtsze Flood Believed Unlikely This Year

Districts along the Yangtsze River will be free from flood danger during the tidal season this coming fall in view of the low watermarks at the present, according to Chin Fen, Secretary-General of the National Economic Council, who returned to Nanking July 31, after a survey of the Yangtsze River. Mr. Chin said that the water levels at Wuhu, Kiukiang and Hankow are much lower than those of last year. The water mark at Hankow is little above 27 meters, being 17 meters lower than the highest watermark and 9 meters below the danger point. Beginning from Sept. 20 more workers will be drafted to strengthen and repair the dykes along the river, and after Oct. 11 work to patch up all broken dykes will begin.

Water Almost Reaches Level of Embankments in Grand Canal, North of Tientsin

A Tientsin message Aug. 3 stated that, intensifying the alarm among the local population, the rise of the northern section of the Grand Canal continues. The water-level at the 5th section in Peiping, north of Tientsin, registered 6.95 meters Aug. 2, being only 0.85 meter below the embankments.

Many villages in Miyun, northeastern Hopei, were inundated July 29 when the Chao and Pai Rivers simultaneously overflowed their embankments, owing to torrential rains on the Hopei-Jehol border. Serious havoc is reported to have been wrought in the affected area.

More than 20,000 people in Sangkowchen, northern Hopei, have been rendered homeless and destitute in consequence of another breach of the dykes of the Yungting River July 28.

Under the auspices of the Hopei Provincial Department of Reconstruction, a Flood Prevention Conference for the Grand Canal was held in Tientsin July 31 with more than 30 Conservancy officials and District Magistrates concerned present. Wang Ching-yu, the Provincial Commissioner of Reconstruction, presided and reported on the results of his recent inspection trip along the Yellow River and Yungting River and exhorted the conservancy officials to do their utmost in averting flood in the province.

The conservancy work for the reinforcement of the main dykes of the Weishan Lake in the districts of Tungshan (Hsuchow) and Peihsien, in northwestern Kiangsu, has been completed.

Kiangsi Makes Progress in Irrigation, Afforestation and Highways Despite Calamities

Central News mail advices from Nanchang state that despite banditry, drought, flood, and other calamities, Kiangsi has made great progress in reconstructive work along the line of afforestation, highway construction, water conservancy and irrigation work and promotion of vocational education during the past year through the strenuous efforts of the provincial authorities.

Peasants Flock to Cities Due to Economic Bankruptcy

Large numbers of the peasant population in provinces have deserted their homesteads for cities in the hope of starting life anew, it is revealed in statistics published by the National Agricultural Research Bureau. Illustrating the seriousness of rural disintegration in China, approximately 2,000,000 farming households in 1,001 hsiens have migrated to other places in recent years, the Bureau reported. Rural economic bankruptcy, the recurrence of natural catastrophes, and prevalence of banditry inland, are said by the Bureau to be the chief causes for the "to the city" movement of farmers.

Sino-British Boxer Commission Adopts Four Important Resolutions

The Board of Directors of the Sino-British Boxer Indemnity Refund Commission held its 40th meeting here at the Chinese Bankers' Association, Hongkong Road, Aug. 3. The meeting was presided over by Dr. Chu Chia-hua, former Minister of Communications and Chairman of the Board. Among the resolutions adopted at this morning's meeting were: Revision of the regulations governing the functions of the Auditing Department of the Canton-Hankow Railway and the treatment of its staff; re-election of Messrs. Pan Shu-lun and Thomson as accountants of the board for the present fiscal year; and approval of the request of the Ministry of Railways for a loan from the redeemed portion of the principals of the Tientsin-Pukow, Kaochow-Tsinan and other railway loans to be used as security against another loan from Chinese banks.

Annual Report of Rockefeller Foundation Shows How China's Mass Education Is Helped

The annual report for 1935 of the Rockefeller Foundation contains 25 pages devoted to the Program in China. It is mentioned that a change of emphasis of the Foundation's program in this country has been made toward cooperation with efforts in the field of rural construction, prominent among which is the Chinese Mass Education Movement. In this connection the Report says:

"The rural demonstration conducted in Ting Hsien, a county about 170 miles south of Peiping, by the Chinese Mass Education Movement, has developed into a nation-wide agency for rural improvement. Toward the general budget of the Chinese Mass Education Movement for the year beginning July 1, 1935, the Foundation has made an appropriation of Local Currency $150,000. This movement is a semiofficial project in rural reconstruction. It originated as an adult literary movement and has evolved into a comprehensive experimental program for research in education and its experimental application to the problem of bridging the gap, so far as rural conditions are concerned, between the Old and the New China. It would be a disservice in China to create in a rural region an organization which although desirable would be obviously outside of the financial means of the local population. It is necessary to develop a program involving local government, security, education, livelihood, and public health which can be supported with the meager existing financial resources. The techniques to be evolved in all branches must be so simple and economical that they are capable of being adopted elsewhere without the use of funds other than those normally available. This organized educational movement has been developed in the county of Ting Hsien, a district with a population 400,000. It is now ready for extension through the launching of a program to train personnel. Utilization of knowledge is being worked out in each field with the purpose of broad application of this knowledge to the country at large. A program involving the training of the personnel to be used elsewhere is essential for the success of the movement. The type of project in which the Foundation is collaborating is designed to provide college graduates with apprenticeship training in the various rural activities already established. The funds are also used to supplement research activities for the development of new methods. The apprenticeship training now being given may be considered partially as an emergency measure to serve until the development of more systematized and fundamental training can be adequately worked out with institutions of higher education. Cooperation in this activity did not begin until July 1, 1935, and it is premature to report results in terms of significant achievement."

Dr. Geo. Kennedy Addresses American Junior Chamber of Commerce

George Kennedy, Professor of Oriental Languages at Yale who was the principal speaker at an American Junior Chamber of Commerce tiffin held in the American Club in Shanghai, Aug. 4, stated that many universities in the United States are rushing to establish departments of Chinese language and culture.

Dr. Kennedy told the club that he hopes to start a summer school for the teaching of Chinese in the United States next year and that he would like to establish it in some university where no course in Chinese already exists. He reminded his listeners that since last September departments of Chinese have been organized at Yale, the University of Chicago, Princeton, the University of Michigan, the University of Colorado and Pamona.

Decision in Kleffel Appeal to Be Given August 12

The hearing of the appeal of Julius Kleffel, German, former General Manager and Vice-President of the now defunct American-Oriental Banking Corporation, took place in the Second Branch of the Kiangsu Higher Court Aug. 5. Mr. Kleffel appealed against a sentence of six months' imprisonment and a fine of $1,000 imposed upon him by Judge Dzien in the First Special District Court at the end of March last, when finding Kleffel guilty on a charge of breach of confidence.

Dr. Fischer, counsel for Kleffel, claimed that the charge against Kleffel was the result of a grudge that Municipal Advocate Bryan bore against him because he (Bryan) had lost money in the American-Oriental Bank.

$360,000 Museum Relics Store-House Nears Completion in Nanking

The new $360,000 storage house of the Palace Museum in Nanking, construction of which was started last March 7, is expected to be completed around August 20, declared Prof. Ma Heng, director of the Peiping Palace Museum, on his arrival in Nanking Aug. 4.

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SHANGHAI

Frank Knox Excoriates "New Deal" in Acceptance Speech

A biting denunciation of the Democratic Administration for its alleged failure to discharge the responsibilities of government was delivered by Frank Knox, Republican vice-presidential candidate, in the course of an address formally accepting the party's nomination at the Convention in Chicago July 30. The Administration, he asserted with emphasis, had "failed to meet its responsibility for an orderly economical and impartial administration of the affairs of the nation." Mr. Knox called on America to end the "mad whirl" of New Deal experimentation and to permit the "dammed up forces of recovery to burst forth into magnificent prosperity." Mr. Knox repeatedly swung both his fists as he attacked the record of the Roosevelt administration, alleging that it had retarded recovery by its "hysterical experiments in government-by-guess," and its invasion of constitutional rights. In 1933, Mr. Knox said, the incoming Administration had one responsibility to meet—"to promote the little flame of recovery which had begun to burn in 1932." It had one job to perform—"to draft a program enabling American enterprise to re-employ 12,000,000 persons." It had one moral obligation "to fulfill its solemn promises of economy and moderation." The Democratic leaders, he declared, ignored their responsibility, failed in their job, and defaulted on their obligation.

"The menaces of governmental insolvency, nondescript currency and business disturbance are shadowing the future. We see the result of the fourth year of mounting deficits in the chaotic condition of the currency, the bloated reserves of the banks, the swollen expenditures for relief, and the millions of persons unemployed." The New Deal, the vice-presidential candidate asserted, was "inexplicable" but he added that "everybody knows the results of the National Recovery Act, the Agricultural Adjustment Act, the Public Works Administration, the Civil Works Administration, the Works Progress Administration and the devaluation of the dollar. Such measures, Mr. Knox said, failed in Babylon, in Rome and in England centuries ago. Although the Republicans support a strong Federal Government, Mr. Knox declared, and recognize that changing social and economic conditions require increased Federal activities, they "insist that such activities be legalized by means of a constitutional amendment."

A huge popular demonstration, lasting more than an hour, preceded Mr. Knox's speech. Mr. Knox smilingly watched the demonstration until Col. Robert R. McCormick, fellow-publisher of Mr. Knox and Republican leader, called on the crowd to "Sing 'America.' Sing it so the whole country will know that Illinois is going to save America."

National City Bank Circular Shows Improved Business Conditions

The July circular of the National City Bank of New York stated that in most industries production and sales figures have held up better, in comparison with the Spring peak, than is usually expected. Along with automobile sales, general retail gains, increases in travel bookings and similar items show that consumers are still in the mood to make up for stinting themselves during the depression. Sales of department stores in May were 12 per cent over last year, of variety chain stores 15 per cent, and of the two largest mail order houses 30 per cent. In June also department store sales have run steadily ahead. In the four weeks ended June 18 Sears, Roebuck & Co. had a gain of 26 per cent.

More Filipinos in U. S. to Be Repatriated

The largest party of Filipino repatriates yet to leave the United States will set sail for Manila aboard the s.s. *President Coolidge* on August 7, the United States Immigration Commissioner's office announced in San Francisco, July 30. The Filipinos are being sent back to the Islands at the expense of the United States Government, in accordance with the terms of the Repatriation Act.

President Roosevelt Visits Canada—Speaks of Long-Standing Peace

President Roosevelt in the course of a short visit to Canada, stopped over in Quebec July 31. In a speech he cited the peace prevailing between Canada and the United States for more than a century, and their 3,000 miles of undefended frontier, as examples to the rest of the world, bristling with armaments. The President observed that the recent reciprocal trade agreement signed between the United States and Canada was tangible evidence of the desire of the people of both nations to practice what they preach—a "good neighbor policy."

National Foreign Trade Convention Will Be Held at Chicago Nov. 18-20

Announcement of the holding of this year's National Foreign Trade Convention at Chicago, on November 18-20 inclusive, is made by James A. Farrell, Chairman of the National Foreign Trade Council. In active cooperation with the Council in furthering the purposes of the Convention are the National Foreign Trade Association; Chicago Association of Commerce; Export Managers Club of Chicago; Chambers of Commerce in all principal cities; National Federation of Foreign Trade Associations; National Council of American Importers and Traders; American Exporters and Importers Association; Export Managers Club of New York; American-Chinese Trade Council; American-Japanese Trade Council; Joint Committee for Foreign Trade Action; Automobile Manufacturers Association; Foreign Credit Interchange Bureau of the National Association of Credit Men; Overseas Automotive Club; Inter-American Advisory Committee; American Steamship Owners' Association; Exporters-Importers Advisory Committee for the Export-Import Bank and other foreign trade organizations.

Senator Pittman Asserts that U.S. Silver Act Helped Stabilize China's Monetary System

Senator Key Pittman, Chairman of the Foreign Relations Committee, in a speech at Pocatello, Idaho, Aug.1, predicted that free coinage of silver never would be realized until the amount of silver used in money was coined on an equal ratio over the whole world. The United States and South American countries were said to be working at present in an effort to bring about wider use of the metal, whilst Great Britain and other countries had done their utmost to defeat the Silver Purchase Act. Senator Pittman asserted that the Silver Act had done much to stabilize the monetary system in China.

Recent Political Appointments and Tranfers

Messrs. Li Tsai-chung, Ling Mien-chih and Wang Chao-ting, newly appointed Commissioners of Social Affairs, Education and Public Works for Tientsin, were inducted into office Aug. 1.

In addition to the appointment of Messrs. Lin Hung-hsun and Chou Chung-chi, as respectively Managing-Director and Deputy Managing-Director of the Canton-Hankow Railway, the Ministry of Railways July 31 appointed Wang Jen-kang, Deputy Managing-Director of the southern (Canton-Shiuchow) Section, to serve as an additional Deputy Managing-Director of the entire line.

Wang Tsui-ting, newly appointed Director of the Bureau of Public Works, formally assumed his new post Aug. 1. Li Tsai-chung and Ling Men-chih, Directors of the Bureaus of Social Welfare and Education respectively, assumed office at the same time.

Messrs. Yen Kan-tang and Cheng Chih-hsiang, newly appointed Director of the Kwangtung Provincial Telegraph Administration and Director of the Canton Business Tax Bureau respectively, assumed office Aug. 1.

Liu Wei-tze, newly appointed Reconstruction Commissioner for Kwangtung, arrived in Shanghai this week from Nanking. He stated that he would proceed south with General Huang Musung, newly appointed Chairman of the Kwangtung Provincial Government, and Tseng Yang-fu, Mayor of Canton.

By an order of the Ministry of Finance, Wang Tsung-chu, Director of the Szechuan Regional Tax Bureau Aug. 2 was transferred as Director of the Kwangtung Provincial Stamp, Tobacco and Wine Tax Bureau. Meng Shih-i, Director of the Revenue Administration Office for eastern Szechuan, was promoted to Acting Director of the Szechuan Regional Tax Bureau.

Gen. Ku Cho-tung, Director of the Generalissimo's Provisional Headquarters in Chungking, was appointed Aug. 2 the new Chairman of the Kweichow Provincial Government replacing Gen. Wu Chung-hsin, who has resigned.

Gen. Lung Yun, Chairman of the Yunnan Provincial Government, and Gen. Hsieh Yueh were appointed Commissioner and Deputy Commissioner for Yunnan and Kweichow respectively.

Dr. H. H. Kung Orders Careful Selection of Financial Personnel in Kwangtung

In telegraphic instructions to Tsou Lin, Vice-minister of Finance, and T. L. Soong, Kwangtung Finance Commissioner, Dr. H. H. Kung, Minister of Finance, Aug. 1 asked them to show a clear demarcation between national and local revenues in Kwangtung and the immediate cessation of illegimate levies and exorbitant taxes in the province. Dr. Kung also ordered great care in the choice of personnel where integrity and ability should be particularly emphasized. It is understood that Kwangtung tax collectors will be required to provide guarantees and securities in future as a means of guarding against the possibility of corruption. Dr. Kung also instructed Messrs. Tsou and Soong and H. O. Tong, Kwangtung Salt Commissioner, to formulate appropriate measures for the readjustment of the salt tax in Kwangtung. Smuggling of salt and illegal collection of salt taxes, according to the instructions, should be strictly prohibited in order to increase the national revenue and to alleviate the burden of the people.

Exchange with Kwangsi Suspended

In accordance with instructions from the Ministry of Communication, all money exchange with the Province of Kwangsi was suspended as from July 31. The Shanghai-Kwangsi cable service, however, is still in operation.

American and British Warships Proceed to Wuchow to Evacuate Missionaries

Due to the irreconcilable attitude of the Kwangsi warlords, Generals Li Tsung-jen and Pai Chung-hsi, and reports that clashes have occurred recently between Kwangsi troops and Central Government forces on the provincial border, the U.S.S. *Mindanao* proceeded to Wuchow this week where it joined the British gunboat *Moth*, which had arrived there previously. The British gunboat *Seamew* was despatched to Wuchow later. The three warships will stand by ready to evacuate foreigners should the situation gets worse. Numbers of foreigners from the interior, mainly missionaries, concentrated at Wuchow during the recent tension in the South-west.

The *Sin Wen Pao* Aug. 2 stated that six additional British and American warships had been sent to Wuchow to protect their respective nationals in that city. Traffic between Nanking and Canton is now entirely suspended.

John S. Barr to Edit "Recorder" in Rawlinson's Absence

John S. Barr, member of the London Missionary Society and Professor of English at Medhurst College, has been appointed acting editor of *The Chinese Recorder* in the absence of Dr. Frank Rawlinson, who has gone home on vacation, expecting to be absent from Shanghai for about six months.

This is the second occasion in the long history of the *The Recorder*, oldest English-language magazine on the China coast, of a Briton being appointed editor. The previous occasion was in 1875 when A.H. Wylie of the British and Foreign Bible Society served for a time as editor. The *Recorder* was established in Shanghai in 1867, hence is now in its 69th year, but the editors of the publication regard it as a direct descendant of *The Chinese Repository*, first American journal started at Canton by the Rev. E. C. Bridgman in 1832.

Practically all of the editors of *The Recorder* have been supplied by the American Board Mission.

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But much of this enjoyment is spoilt if you are run-down, anaemic, a victim to back-pains, headaches, defective digestion, general weakness, lack sufficient energy to participate in the bathing, tennis, dancing, and other pleasures of the sea-side.

If you want to obtain the utmost happiness and fullest benefit from your holiday, it is wise to build up your blood, your nerves, your whole system, by taking a short course of Dr. Williams' Pink Pills, the blood and nerve tonic which enriches the blood with haemoglobin (iron nutriment), oxygen and red-corpuscles at every dose.

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In the United States Court for China

In re.
the Estate
of
LEONARD AGOR SCOTCHMER,
Deceased

Cause No. 4086
Special Proceedings
No. 1964
NOTICE
Filed at Shanghai, China,
July 23, 1936.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Leonard Agor Scotchmer, deceased, to present the same with vouchers to the undersigned on or before February 1, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Olive Damoth Scotchmer,
Administratrix
c/o Allman & Co.
206 Hamilton House
Shanghai, China

Shanghai, China.

In the United States Court for China

In re. ESTATE of MARSHAL SMITH HAIRSTON, Deceased.

Cause No. 4082
Special Proceedings No. 1966
NOTICE
Filed at Shanghai, China, July 31, 1936.
William T. Collins, Clerk

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Marshal Smith Hairston, deceased, to present the same with vouchers to the undersigned on or before February 8, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

IVEY GOODMAN RIDDICK,
175 Soochow Road,
Shanghai, China.

Shanghai, China.

In the United States Court for China

In re. the Estate of CHARLES NEWTON DUBS, Deceased.

Cause No. 4088
Special Proceedings No. 1967
NOTICE
Filed at Shanghai, China, July 31, 1936.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Charles Newton Dubs, deceased, to present the same with vouchers to the undersigned on or before February 8, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Minnie G. Dubs,
Administratrix
c/o Allman & Co.
206 Hamilton House
Shanghai, China.

Shanghai, China.

War or Peace?—A Sino-Japanese Question

BY GEN. LI TU*

One of the principal reasons why I believe Japan will eventually be defeated in a war is because of her "internal troubles." If Japan starts a formal war against China or U.S.S.R. the tinder box in the Far East will face an explosion. The struggle will be a national one and can be likened to a wide conflagration in which the peace of the world will be seriously endangered. The longer the battle will be prolonged, the worse will the fate of Japan become. Japan has ill-treated her colonial subjects such as the Koreans and the Formosans. These people have suffered even more then the Indians or the Annamites. The Korean and the Formosan revolutionists who have endured disgraces and oppression for several decades, have tried to keep quiet in peaceful times, but are keenly watching for an oppotunity to rise against Japan; besides, there are the common people in Japan who are everywhere disposed toward a national revolution. When the great Oriental war becomes a reality, a great part of the Japanese troops will of course be sent to the front; at the same time the colonial garrison as well as its native forces will also be despatched to the battle field. Then will be the time when the sparks of revolution will burst into flame.

In the second place, Japan lacks a central force in her politics. In recent years, those aged and venerable Japanese statesmen who were discreet in politics, such as Shidahara and Inuyongi, two former Prime Ministers, and Hamaguchi, former Minister of Finance, were all attacked with daggers or with bullets. The sensational military coup d'etat in Tokyo in February was a typical example of this state of affairs.

In the third place, Japan has exhausted her financial resources. Takahashi, former Minister of Finance, who was really dexterous in finance management, thought of saving the country from financial breakdown while the militarists forced him to issue a military loan. He refused to do so and at last met a cruel death in his old age. The successor in Umaba now at the service of the militarists. The Japanese finances today are like a squeezed sponge, but the new minister is turning to a new direction and puts into practice the so-called "Umaba Military Finances" which contain four points: (1) Seek and plunder new colonies as a means to replenish the treasury of Japan proper; (2) Increase the number of soldiers in the regular army, send armed emigration to China, and stimulate the munition industry at home as a measure of relief for unemployment; (3) Make use of the manufacturing of munitions as a productive return on certain financial outlay; and (4) Buy raw materials for military use in order to stimulate rural productivity. Such a war-time economy will only cause more unrest to the Japanese people, and may result in some unexpected crisis, while in international relations it will give rise to conflicts among imperialists and encourage resistance from her colonies.

In the fourth place, Japan stands alone in the family of nations. Because of the habitually insatiable desire and fickle moods shown, Japan is condemned and abhorred by the world. She thinks China is weak enough to be conquered, and encroaches upon us while she fabricates fine propaganda to conceal her aggression. We see that Japan declares a "Far Eastern Open Door Policy," but the fact is that she encroaches upon others' rights in order to make room for her own.

In the fifth place, Japan is in danger of a military dictatorship. We, of course, cannot deny that force in a country is the backing of diplomacy and consitutes the ultimate means for overcoming any internal disturbance; but it is not almighty; it has its limitations. Unfortunately the Japanese militarists have exceeded their bounds. They interefere with politics. Moreover, there is a large number of reservists for whom the Ministry of War has to find an outlet.

***Gen. Li was formerly Commander of the 15th Division of the Mukden Army Corps and Lieutenant General in the Sungari Defence Force in 1929. He was elected Commander-in-Chief of the North-Eastern Self-Defence Army, and since October 1931, being one of the most intrepid leaders of the Volunteers actively resisting the Japanese and Manchukuo forces.**

B. A. T. Auxiliaries Given Manchukuo Charter

Two subsidiary companies of the British American Tobacco Company have been granted charters to operate by the Manchukuo Government, in accordance with the new Empire's Commercial law, the Dairen correspondent of the *Tokyo Nichi Nichi* reported July 29. One of the two firms operates in Mukden, with a capital of Yen 52,000,000, while the other is situated in Harbin, and has a capitalization of Yen 3,500,000, the report added.

A *Reuter* message from Mukden Aug. 1 stated that the Chi Tung Tobacco Co. Ltd., incorporated under the Hongkong Ordinances, has been acquired by a new concern of the same name, formed under the laws of Manchukuo. The change took effect on said date. The new company handles the manufacture and sales of cigarettes for the Yee Tsoong Tobacco Distributors, Ltd., better known as the B.A.T.

Who's Who in China

王光宇字子玕
Dr. Wang Kwong-yu
(Wang Kuang-yu)

Dr. Wang Kwong-yu, physician and college president; born at Yung-hsin, Kiangsi, 1882; was graduated from Oberlin College, Ohio; Chicago University, Chicago; and St. Louis University, St. Louis, Mo., U.S.A.; with B.A., M.S., M.D. degrees; has successively served as Surgical Resident of the Hsiang Ya (Hunan-Yale) Hospital, Changsha; instructor of Anatomy of the Hsiang Ya Medical College; Surgeon and Superintendent of the Changsha Union Hospital; Professor of Public Health and President of the Kiangsi Provincial Government Medical College; Health Commissioner of the Hankow Municipal Government; Surgeon General of the National 4th Group Army; now President of the Hsiang Ya Medical College and Superintendent of the Hsiang Ya Hospital; health advisor to the Hunan Provincial Government; address: Hsiang Ya Medical College, Changsha, Hunan.

王光宇字子玕，年五十四歲，江西永新縣人，美國歐柏林大學文學士。芝加哥大學理科碩士，聖路易大學醫學博士，曾任湖南私立湘雅醫科大學解剖學講師，湘雅醫院駐院外科主任醫師，湖南仁術醫院院長，江西省立醫學專門學校校長，兼公共衛生學教授，漢口市衛生局局長，國民革命軍第四集團軍總司令部少將軍醫處長，現任私立湘雅醫學院院長，兼湘雅醫院院長，湖南省政府衛生顧問。

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THE CHINA WEEKLY REVIEW
160 Ave. Edward VII, Shanghai.

Education Ministry to Promote Making of Educational Pictures

Every available means is being employed by China to educate her people to become citizens of a modern nation, the latest method being motion pictures, a recent *Central News* message from Nanking stated. Firmly convinced that movies, with light and sound effects, would more readily appeal to the public—especially to the illiterate masses—than books and pictures, the Ministry of Education has inaugurated a special committee to take charge of the educational film movement. Orders will be issued by the ministry to provincial and municipal governments calling their attention to the potential value of educational pictures and asking for their cooperation in pushing the drive. One of the first tasks facing the special committee of the ministry will be to train competant personnel to produce such films. It is also making purchase of a large number of projecting machines for distribution to various provinces and municipalities.

Educational pictures to be produced include those upholding the national spirit, those imparting sanitary knowledge, those conveying scientific knowledge, those concerning changing industrial and living conditions in China, etc.

CUSTOMS NOTIFICATION NO. 1535

With reference to Customs Notifications No. 1521 and 1533, the public is hereby notified that in accordance with Government instructions the appended Rules of Procedure covering the Inspection of Native Piece Goods made from, or containing a Mixture of, Artificial Silk Yarn and the Checking of Stocks Held will be enforced forthwith.

The time limit within which factories must report their stocks to the Customs, as laid down in Article 3, has been fixed at two weeks from the date of this Notification.

H. O. TONG,
Superintendent of Customs.

PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 30th July, 1936.

Procedure Governing the Inspection of Native Piece Goods made from, or containing a Mixture of, Artificial Silk Yarn, and the Checking of Stocks Held.

1. Native piece goods made from, or containing a mixture of, artificial silk yarn, are also to be subject to inspection in accordance with the Provisional Regulations governing the Inspection of Imported Goods when Moved for Sale Within China.

The above-mentioned piece goods, when transported for sale without a covering Conveyance Certificate (or Sub-Conveyance Certificate), shall be dealt with in accordance with Article No. 8 of the Provisional Regulations governing the Inspection of Imported Goods when Moved for Sale within China.

2. The Customs are to fix a time limit for the checking of stocks held by all (artificial silk) factories.

3. Factories are to submit to the Customs, within the above-mentioned time limit, a report duly certified by the guild of the same trade, stating the quantity of goods in stock, and the Customs are to depute an officer to proceed to the factory to investigate and register the stocks held.

4. Conveyance Certificates to cover existing stocks of piece goods which have been registered may be issued without production of the relative duty receipt.

5. Factories are to produce proof of duty payment in respect of all their registered stocks of artificial silk yarn, and if such evidence is not forthcoming the factory concerned is to be required to obtain for inspection, within the time limit to be fixed by the Customs, documentary proof of duty payment from the Customs at the port of original importation, the artificial silk yarn being in the meantime detained by the Customs under seal. If, after expiry of the time limit, no documentary evidence of duty payment has been obtained from the Customs, the factory concerned is forthwith to make good the import duty leviable, but no fine shall be imposed nor shall the goods be confiscated.

6. Factories using artificial silk yarn as a raw material are to obtain from the firm from whom the yarn was purchased, for purposes of subsequent verification, the documents issued by the Customs showing that import duty has been paid, and the Customs, on the strength of such evidence, are to issue Conveyance Certificates to cover the Transportation of piece goods manufactured from artificial silk yarn by the factories in question.

7. Factories are to keep a detailed register of artificial silk yarn purchased and used, and of artificial silk piece goods removed from the factory, in accordance with the Provisional Regulations governing the Inspection of Imported Goods when Moved for Sale within China, and are to submit a monthly report, duly certified by the guild of the same trade, to the nearest Custom House, who will depute an officer to carry out inspection from time to time.

8. Piece goods containing a mixture of artificial silk are to be dealt with in accordance with the present procedure.

9. In places where factories are numerous the checking of stocks is to be performed by the Customs, but in places where factories are scarce and remote from a Custom House it is primarily to be performed by the guild of the same trade (or, if there is no guild, by the chamber of commerce), who are to report the quantities of stocks held to the nearest Custom House so that the latter can depute an officer to conduct investigations.

When stocks are checked by the Customs in accordance with the present procedure, the Commissioner and the Superintendent are to request the guild of the same trade, or the chamber of commerce, to render the necessary co-operation.

Men and Events

The ninth annual meeting of the China Physiological Society met at the Shantung University in Tsingtao this week.

Akiyoshi Tajiri, Acting Consul-General in Tientsin, arrived in Shanghai this week, travelling by way of Nanking.

Exceeding all previous records, the population of Hangchow city increased to 581,400 during the month of June, according to official statistes announced July 31.

Chin Pei-sung, technical expert of the National Industrial Laboratory of the Ministry of Industry, will sail for Japan middle of August for a two-month investigation tour of the brewing industry.

M. Pierre Dupuy, of Shanghai, former President of the French Chamber of Commerce of Shanghai, was reappointed Aug. 1 a Commercial Councillor by the Minister of Commerce in Paris for a period of five years.

Dr. H. H. Kung, Minister of Finance, arrived in Kuling from Nanking July 29 accompanied by Tai Ming-li, Director of the Currency Department, and Jabin Hsu, Director of the General Affairs Department of the Ministry.

Seven Chinese scientific organizations, namely, China Science, Mathematics, Physics, Botany, Chemistry, Geography and Geology Societies, will hold an annual meeting at Tsinghau, Yenching and Peiping National Universities August 17 to 21.

Dr. J. Heng Liu, Director of the National Health Administration, arrived in Kuling Aug. 1 to report to General Chiang Kai-shek, President of the Executive Yuan, on his inspection of the military hospitals and public health services in Honan and Shensi provinces.

Kwei Chunghsu, editor of *The China Critic*, will be host at a dinner scheduled for Sunday 5 p. m., August 9, at the Park Hotel in honor of Lin Yu-tang, Chinese writer and author who is departing shortly on a trip to the United States. The guests will be local editors and correspondents.

Miss Gwen Dew, member of the staff of *The Detroit News*, who was in Shanghai last week on a trip through China, departed for Manila. Before coming to Shanghia, Miss Dew spent considerable time in Peiping and Nanking and also at Kuling where she interviewed Madame Chiang Kai-shek.

Reports from Tacoma, Washington, state that medical treatment at an average cost of $1.50 a month has been made possible in said city by virtue of the contract system. Three organizations are dispensing service in this fashion and between them they are taking care of the needs of 25,000 persons.

Miss Nancy Woo, daughter of Mr. and Mrs. Y. T. Woo of Shanghai, is spending her summer vacation with her parents at their home in Yu Yuen Road. She is a student at Wellesley College, having completed her sophomore year. She will return to Wellesley, Mass., this autumn to continue her studies.

Wu Chen-tsan, president of the Shantung High Court, on his arrival in Nanking Aug. 1 to seek instructions from Wang Yung-pin, Minister of Justice, stated that the marked progress made in judicial administration of Shantung, was exemplied by the fact that a judicial bureau has been established in every district of the province.

Dario Baraha, who gave his address as Shanghai, was arrested in San Francisco Aug. 1 on a smuggling charge. The San Francisco authorities allege that, after Baraha arrived in the s.s. *President Collidge*, $1,600 worth of undeclared jewellery was discovered concealed in his suitcase. The accused was released after posting a bail bond of $2,000.

Mrs. Winnifred Harper Cooley, well-known writer, lecturer and club woman from New York, is now on a tour of the Far East. She will arrive in Shanghai Aug. 8, and after three days stay will proceed to Manila. Mrs. Cooley's mother, Ida Husted Harper, was noted as a pioneer suffragist and was the biographer of Susan B. Anthony.

Miss Dolores Houston and S. M. Gillespie were married at Tsingtao July 25, the ceremony being conducted by H. F. Handley-Derry, at the British Consulate-General, and the religious ceremony at the home of Mr. and Mrs. Terrel Adams, uncle and aunt of the bride, with the Rev. R. Coonradt officiating. S. Sokobin, Consul, acted as official witness from the American Consulate.

Francis Haussermann, vice-president of Benguet Consolidated Mining Co., stated recently in Manila that the share market on gold-mining shares in the Islands was almost entirely a speculators' market, ruled by rumors instead of facts. He warned of the danger of a collapse of the market, which would deflect disillusioned capital to other channels. Mr. Haussermann is a son of John W. Haussermann, the well-known Philippine mining man, who is at present serving as the authorized spokesman of Manila American businessmen at Washington.

Yuan Chia-liu, grandson of the late President Yuan Shih-kai, departed for the United States August 1 to enter the University of California for a postgraduate course in physics. Mr. Yuan is 24 years old and a graduate of Yenching University.

Special correspondence in the *China Press* dated June 29 gave details of a summer excursion which 1,760 Chinese men, women and children took up "America's Yangtsze Valley" (namely, the Hudson River) to the well-known Bear Mountain. Theodore Chan, President of the Chinese Womens' Association sponsored the excursion. General Fong Jan Mo, known in New York as an active campaigner against Japan, was among the holiday makers.

Bishop James Edward Walsh, of Cumberland, Md., was elected July 31 Superior-General of the Roman Catholic Foreign Mission Society of America, to succeed the late Bishop James Anthony Walsh, to whom he was no relation. The new Superior-General is a member of the first group of American Catholic priests to enter the Far Eastern field, coming to China in 1918. At present he is Vicar Apostolic of Kongmoon, China.

King Chau Min, Chinese Consul General in the Hawaiian Islands, gave a radio address from the Hilo station July 8 on the subject "The Spirit of Chinese Culture." The Consul General stressed the importance of complete understanding of Chinese civilization in order to promote closer relations between China and the United States and reviewed in a comprehensive manner the fundamental features of Chinese culture in their relation to the future.

John A. Sowers, Foreign Trade Manager of the Oakland Chamber of Commerce and a recognized authority on Far Eastern economic problems, arrived here this week to remain for some time, for the purpose of conferring with local business leaders. Mr. Sowers is Shanghai official representative of manufacturers in Oakland who through their chamber of commerce are seeking to enlarge the scope of their trade with the Far East.

At the regular monthly meeting of the American Chamber of Commerce in Shanghai Aug. 1, Mansfield Freeman was elected vice-president of the organization to succeed W. H. Plant, who was forced to resign because of his absence from Shanghai. Boyes Hart, Vice-President of the National City Bank, was the guest of honor of the day. Consul-General C. E. Gauss and Julean Arnold, consulting directors, were in attendance.

The death occurred in Peiping Aug. 2 at the age of 86, of Mrs. Ada Mateer, of the American Presbyterian Mission. Mrs. Mateer spent 57 years in missionary service in China, mostly in Peiping. She was a native of Massachusetts and a relative of the late Ralph Waldo Emerson, famous American poet. She went through the Boxer siege, and took care of thirty of her students for many years after the siege. Deceased was an excellent Chinese scholar and had translated a number of English books into Chinese.

Charles R. Shepherd, Director of the Chung Mei Home for Chinese Boys, located at 3000 Ninth Street, Berkeley, Cal., has written friends in China stating his intentions to visit here in the coming autumn. The Chung Mei home is a refuge for Chinese boys, more than 200 of whom have found shelter in the institution since its founding in 1923. The home is operated under the joint auspices of the American Baptist Home Mission Society, Women's American Baptist Home Mission Society and the San Francisco Bay Cities Baptist Union.

The marriage of Miss Lillian Corinne Oliver and Rowland Dale Weber look place at Mokanshan, summer resort in Chekiang province, July 28. The bride is the daughter of Mr. and Mrs. Jay Charles Oliver of Hangchow, and well-known in Shanghai. The bridegroom is the son of Rowland Dale Weber of Los Angeles, California, where he is connected with the Weber Baking Co. Miss Oliver, who returned to China over a year ago after graduation from Redlands University (where she first met her future husband) has been teaching music in Changsha.

Shih Chia-sheng, prominent Shanghai millionaire dye merchant, was kidnaped by a gang of six armed men from his home at Lane 1412, House No. 5, Avenue Joffre, Shanghai, about 5 o'clock in the afternoon of Aug. 1, when six men drove up in a car and parked their vehicle directly in front of Mr. Shih's residence. The gangsters forced their way to the third floor where their victim was resting. He was marched down the stairs and was spirited away in the waiting automobile. Mr. Shih is the third son of the late Shih Pao-jen, whose trading in dye-stuffs during the World War was famous in Shanghai's business annals.

Judge Milton J. Helmick in the United States Court for China July 31 overruled a motion for judgment by default in the case of the Bank of China against Mrs. Isabella Katz. The case, which involves the sum of $43,327,74, was ordered continued and the defendant was instructed to file an answer to the complaint within five days. In this action the Bank of China asks judgment against Mrs. Katz for the sum specified which, it is claimed, is due on a loan of $45,000 made on January 16, 1934. The loan is said to have been for a period of six months at 12 per cent interest per annum. Plaintiff states that only $1,672,26 has been paid and the bank asks for sale of the security which was put up by Mrs. Katz when she obtained the loan.

Madame Chiang Kai-shek, has been appointed chairman of the Association for the Prevention of Blindness in Nanking. The new organization will be formally inaugurated on Sept. 1.

Vice-Admiral Koshiro Oikawa, Commander of the Third Japanese Fleet, returned to Shanghai on the morning of Aug. 4 aboard his on the flagship, the cruiser *Izumo*, from an extended cruise in South China waters.

The case against Dr. J. Heng Liu, against whom sundry charges of malfeasance in office have been preferred, will commence on August 11 with a public hearing in the Nanking District Court. Judge Kao Wei-chung will preside at the hearing.

Tienshui, a town southeast of Lanchow, was visited by a violent earthquake on August 1, according to a belated report received in Lanchow Aug. 4, Numerous houses collapsed as a result of the shock, but no loss of life was reported.

Farmers in Anking and its environs are in a jubilant mood because of bumper crops this year. A three-day celebration of the bountiful harvests began at Antsing, Anhwei province, Aug. 1, with a colorful procession. The streets were literally thronged with cheerful farmers, and fire-crackers resounded throughout the city.

Chancellor Hitler of Germany received Tai Chi-tao, presiden of the Examination Yuan of the National Government, Aug. 3 according to a report received from Berlin by the Ministry of Foreign Affairs. The interview, the message stated, lasted for 15 minutes, during which Dr. Cheng Tien-fang, Chinese Ambassador to Germany, was also present.

A circular issued by the National City Bank of New York June 30 stated that the Board of Directors has had under consideration the retirement of the $50,000,000 of Preferred Stock which is principally held by the Reconstruction Finance Corporation. After giving effect to this retirement, the Bank will have Capital Stock of $77,500,000, Surplus of $42,500,000 and Undivided Profits of approximately $10,000,000.

The Canton-bound steamer, s.s. *Chang Teh* of the Lee Ping Steamship Company, has been missing since July 31 when it was last reported to have passed Foochow. The boat was chartered by the Military Transport Office, Nanking, and according to the local owners, she was carrying troops and ammunition. The ship was under the command of Captain R. O. Engelson, Norwegian, and left Nanking on July 27, passing Woosung the following day.

A recent *Kuo Min* message from Tientsin stated that the recent shooting incident in Tientsin, in which Chang Te-lu, a Chinese employed by the Japanese Consular Police Headquarters, was shot dead by a guard of the Tientsin Municipal Government was settled by the Tientsin Municipal Government paying the family of the deceased $30,000 as compensation and $1,000 as funeral expenses. Another sum of $100 each was also appropriated as medical expenses for the two men injured in the incident, and $214.50 as repair expenses for the motor-car in which Chang was killed.

With a view to giving a reception in honor of 350 Chinese students going abroad this summer, the World's Chinese Students' Federation, the Education Bureau of Greater Shanghai, the Chinese Chamber of Commerce, the Shanghai Civic Association, Chiao Tung University, Chinan University, Kwang Hwa University, *Shun Pao*, *Sin Wan Pao*, *China Press*, *China Critic*, Commercial Press, Chung Hua Book Co. and several other organizations jointly held a preparatory meeting at the Park Hotel Aug. 4. P. K. Chu, general secretary of the World's Chinese Students' Federation, took the chair. It was decided that the reception will be held at the City Government Auditorium, Kiangwan, on Aug. 16 at 4 p.m. Mayor Wu will be the chairman; Tong Shao-yi, the principal speaker.

New Japanese Consul Leaves for Chengtu

Mr. Iwai, new Japanese Consul to Chengtu, left Nanking for the Szechwan city Aug. 3 to assume his new post. The new Japanese Consul was accompanied by several other Japanese officials.

An emergency meeting was held by Szechwan natives in Shanghai Aug. 2 at which a petition was prepared to be submitted to the Nanking Government asking the latter to file a strong protest with the Japanese authorities against the establishment of a Japanese Consulate in Chengtu.

"Sin Wen Pao" Discusses the Status of Consuls

The legality of the recently reported establishment of a consulate in Chengtu, Szechwan by the Japanese, from the viewpoint of international treaty rights was questioned by the *Sin Wen Pao* in an editorial July 30. The nature of a consul is merely that of a commercial official. Although his office in a country is not looked upon as a matter of importance by the authorities of that country, yet the cities to be allowed for consulates should be confined to where those other treaty countries have already had or will have their consuls. The place for the establishment is therefore not optional to any country without restrictions.

PAINTS AND PAINT WORK

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CUSTOMS NOTIFICATION NO. 1534.

The public is hereby notified that in accordance with Government instructions all kinds of straw bags will be exempt from export duty on shipment abroad as from the 24th July, 1936.

H. O. TONG,
Superintendent of Customs.

PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 30th July, 1936.

HOT WEATHER, different food or water, the change from home to some holiday resort.....these and other factors often start the dreaded diarrhoea. Prompt treatment is imperative. Read what other mothers have found best.

"My baby was so had with summer complaint that we despaired of saving her. A friend advised Baby's Own Tablets. After the third dose baby fell asleep. By noon next day she took her usual bottle feeding."

Mrs. H. Allard, Whitby.

Another lady who knew the effectiveness of Baby's Own Tablets gave them to a friend's sick child. She writes:

"Last summer, at a camp where I was staying, a young child contracted summer complaint. I gave her some Baby's Own Tablets and they improved her condition right away. I have used them for my own children during teething and would not be without them."

Mrs. Adkins, Toronto.

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Baby's Own Tablets

New Books of Interest in the Far East

New Light on How the World's Diplomacy Is Manipulated

The American Diplomatic Game, by Drew Pearson and Constantine Brown. Garden City, New York: Doubleday, Doran & Co.

The scope of this book is not nearly so limited as might be inferred from its title, for, had emphasis been placed a bit more heavily on European diplomacy, had a chapter or two more been devoted to the idiosyncracies of Continental statesmen, it might more aptly have been called "The World Diplomatic Game."

Richly illustrated with colorful anecdotes of leading American, European and South American diplomats, the book unfolds a sometimes incredible picture of the way in which the foreign policies of nations are molded, changed, shifted and re-arranged by such compelling and inescapable factors as the personal prejudices, wounded feelings, petty hatreds and, in short, the vainglory of these statesmen.

To the lay reader who has visualized the idealism with which, he has supposed, a certain diplomat has pushed a disarmament conference or another statesman has backed the conclusion of a much publicized pact, it will come as a shock to him to learn that these manipulators of destiny are but limited humans who entertain the usual lust for power and glory and riches and fame, whose ambitious grasping frequently results in costly errors which must be paid for by millions of their unwitting countrymen who first invested the leaders with the power to conclude such treaties and conventions.

The book, which is told in the same gossipy vein which made "Washington Merry-go-Round" a best seller, of which Drew Pearson was one of the co-authors, has some priceless stories to tell. There is the one about about M. Paul Claudel, the Poet Ambassador France sent to Washington, who forgot to wear his tunic to a White House reception when Herbert Hoover, no lover of the French, was president. There is one about Mrs. Henry Stimson, who slighted on her trip to Paris by ladies of the French Cabinet, sent each a bouquet of expensive flowers on her departure. And so it goes. . . . .

The most timely portion of "The American Diplomatic Game," however, is a brief supplementary by the authors called "Mussolini Moves to Abyssinia." Timely, because now that the League of Nations Assembly, by 23 votes to 1, has adopted a draft resolution summarily "closing" the Ethiopian affair, this supplementary discloses the rank cruelty and callousness with which the East African country—the only area in Africa which at the time had not yet bowed before the white man—was treated by European powers and the League at the outset of the Italian invasion.

The authors show, with proof, that the Walwal incident, which Italy used as a pretext to march on Ethiopia, was a trumped-up affair curiously similar to that which the Japanese employed as an excuse to occupy Manchuria in September, 1931. In fact, Lieut.-Colonel E. H. M. Clifford, of the Royal Engineers of Britain, who headed the British-Abyssinian Boundary Commission, reported that, in short, the Italian troops, commanded by Captain Roberto Cimmaruta, had been "unconciliatory and disobliging" when Ethiopian troops had wished to draw water from the wells of Walwal, which, on all but Italian maps, was some 60 miles within the Abyssinian frontier. About ten days later, when the Abyssinians were still grazing their mules at this spot, a force of Italians aided by tanks and aircraft, opened fire on the Ethiopians. But when the world outside finally heard of the incident through the Stefani official news agency at Rome, it was the Ethiopians who had attacked the Italians!

Despite these known facts, bolstered by the affidavit of the neutral Colonel Clifford, the League of Nations turned a cold shoulder toward Ethiopia when that country attempted to have the dispute submitted to that body. Italy was demanding $45,500 for the families of Italians killed in action at Walwal and that Abyssinian troops salute the Italian flag. The Lord Privy Seal of Britain, young Anthony Eden, backed Italy up in her demands, despite the report of Colonel Clifford showing that Italian troops had attacked without provocation. Ethiopia, he said, could not submit a dispute to the League Council during the progress of negotiations. Tecle Hawariate, the Abyssinian delegate to Geneva, pointed out that negotiations between Italy and Ethiopia had broken down. Mr. Eden would not admit this. And so the impasse continued at Geneva for five months—permitting Italy, without restriction, to perfect her massing of troops along the Eritrean and Somaliland borders.

And then, on May 25, Maxim Litvinoff, Chairman of the League Council, rapped his gavel. Italy and Abyssinia had decided to arbitrate. Each was to appoint two mediators, and these four were to select a fifth. But if by July 25 the fifth mediator was not selected, the League of Nations was to make the selection. And so on. By now everyone knows how Il Duce continued to pour troops into East Africa all the while peace negiotiations were ostensibly being conducted between the two disputing nations. And by now everyone knows just how ineffectual in the face of this crisis the puny League proved itself.

Both experts on foreign affairs, Drew Pearson and Constantine Brown have done their job well. The book is extremely informative, as well as highly entertaining.

Well-known as an American foreign correspondent, Drew Pearson has traveled through Japan, Australia, India China and has written for many of the leading papers in Europe and America. He covered the Geneva Naval Conference, accompanied Secretary of State Kellogg on his trips to Paris and Dublin, reported the Cuban revolution and the London Naval Conference.

Constantine Brown has reported European affairs for twenty years. In 1918 he was on the Eastern front. He witnessed the collapse of the Russian armies on the Galician front, interviewed Lenin at the signing of the Brest-Litvosk treaty, saw the birth of the Nationalist Government of Turkey, the defeat of the Greek army, the destruction of Smyrna.

Later he investigated the re-armament of Europe, reported the London general strike, covered the London Naval Conference and finally returned to the United States to become foreign news editor of the Washington *Star*. E.K.

An Author Who Says U. S. Should Keep Hands Off in Far East

War Clouds in the Skies of the Far East. By Tom Ireland. Second Edition. Illustrated. G. P. Putnams Sons, New York. London. 1935. U.S. $2.75; 438 pages, and Index.

There are many Americans who in the light of after events think that the entry of the United States into the World War was a blunder, and they are thrown back upon the traditional American policy of cultivating one's own garden, leaving others to cultivate theirs. It is true that this policy as applied to relations with Europe had the logical effect of requiring that the United States assume responsibility in Central and South America under the name of the Monroe Doctrine. However, if the United States should keep out of European political entanglements, should not the policy apply to Asia equally? Such, in general, is the theme of "War Clouds in the Skies of the Far East," by Tom Ireland. Let the United States keep free of commitments that will lead her into war in the Far East. More specifically, let her not thwart Japan, an Asiatic nation that is expanding, and needs to expand, in Asia. The book is definitely intended to influence American opinion and policy.

American policy hitherto, says the author, has always had a pro-Chinese character. Japan's expansion has been consistently opposed by the government of the United States. The Stimson doctrine of non-recognition of Manchukuo is cited and discussed as an instance. The United States excludes Japanese immigrants and closes its own door to Japan, at the same time demanding an open door in the Far East.

> "To take just one of the innumerable examples, at the very same time that the State Department was protesting to Japan against the possible closing of the Open Door by the establishment of an oil monopoly for Japanese in Manchukuo, our government was making a trade agreement with Cuba, August, 1934, one of the main purposes of which was to increase the preference to American exports of electric light bulbs and to other American products in Cuba, to end the Japanese domination of that market."

The total effect of American policy, says the author, has made the United States seem to Japan to be "a relentless persecutor."

There is no question about the great amount of information brought together in this book. The author, who is a lawyer and a news commentator over the radio in Cleveland, Ohio, has made himself accurately informed about Far Eastern matters through wide and well directed reading of available books on the subject. Whether or not he has visited the Far East, he shows at any rate an absence of that feeling for one or more parties concerned in Far Eastern matters which becomes an inevitable part of the thinking of those who live in this area of the world. This kind of detachment is both a merit and a fault: a merit because American policy in so serious a matter as war ought to be determined by the whole nation's needs and convictions, not by the perhaps prejudiced Americans whose own interests are bound up with the Far East; a fault because it permits a too-easy sloughing off of responsibility on the part of the United States. For example, on the next to the last page of the book Mr. Ireland writes,

> "The best guarantee, it seems, for the continuation of peace and for the avoidance of war, is for the White Man and for the Yellow Man each to tend his own quarters of the globe; as long as the Yellow Man keeps out of the White Man's domain, the White Man must give to the Yellow Man a fair chance to work out his destiny in the Yellow Man's quarter of the world, where Divine Providence established him and as it must have intended."

On the whole, the book is an effective presentation of its subject and opinions. The comparison of a possible war between

the United States and Japan with an episode out of Greek history—the Athenian expedition against Syracuse—is very striking. Surely a war between these two countries would be a futile thing, for even supposing the United States to be successful the terms of peace could not last. Surely, too, a general war in the Far East could bring no helpful settlement. No, any responsibility for coercive action to maintain legitimate Western interests in the Far East must be genuinely collective. If it be said that the failure of the sanctions of the League of Nations has proved the failure of collective action, there is still the possibility of joint action of the United States and the British Commonwealth. Here is perhaps where responsibility truly lies, not to go to war with Japan, for Japan has her legitimate rights and interests, but to insist that the rights and interests of others shall not be ignored. How this can be done without war is of course a difficult question in a world that has not rid itself of the habit of war. The responsibility of resisting unjust aggression on Japan's part, but, more important still of amicably meeting all legitimate economic needs of Japan with full sincerity and readiness to cooperate, rests for the most part upon the Chinese nation and government. This point must not be overlooked. The reviewer's only point is that the United States cannot free herself from responsibility in the Far East so easily as Mr. Ireland would have her do.

July 15, 1936. D.R.

Local Japanese Banker Writes on U. S.-China Silver Deal

Masaharu Yoshida, manager of the Shanghai branch of the Mitsubishi Bank, who is regarded as an expert on Chinese silver and currency problems, is the author of a booklet dealing with Chinese silver reforms and the U. S.-China Silver Agreement. The booklet, written originally for private distribution among Mr. Yoshida's friends has attracted wide attention in financial and commercial circles in Japan.

Rural Rehabilitation Discussed by Lawrence M. Chen

A treatise on "Rural Rehabilitation" by Lawrence M. Chen forms the subject matter of the *Information Bulletin* for July 21 issued by the Council of International Affairs at Nanking. Mr. Cheu summarizee the causes of China's rural decline and the means by which rehabiliation may be achieved.

Movement Launched to Gather Old-Type Chinese Medical Prescriptions

A nation-wide movement to collect all native herb prescriptions which have been handed down since time immemorial, is now underway under the auspices of the "Central State Medical Institute," an organ created to perpetuate the old-type Chinese medicine. Convinced that these secret medical directions, which have stood the test for centuries as being highly effective in the treatment of diseases, will prove invaluable to the sick, the Institute has addressed circular letters to the provincial and municipal governments soliciting their co-operation in the prescription-hunt. Lest the medical recipes fall into oblivion, since they have been treated as heirlooms by the old-type Chinese physicians, the directions, when gathered, will be compiled into book-form for posterity.

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Your personal appearance should be one of your greatest assets. The man or woman who suffers from chronic constipation or sluggish liver cannot look well or feel well. A pimply sallow complexion may lose you a job, or a future husband.

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THE PEIPING CHRONICLE

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Shanghai General Labor Union Presses for Effective Industrial Control

In a long telegram sent to the Ministry of Industry Aug. 1 the Shanghai General Labor Union asked the Government to press for an immediate conclusion of a pact which would protect workers in the Settlement. The Union, the petition pointed out, was speaking for 800,000 working men and women in the Settlement. During the past several years, the petition continued, many accidents had occurred in Settlement factories. Last year, it was argued, explosions at the Cheng Tai and Tai Yee workshops in which several workmen were killed, were the results of the lack of industrial control measures.

The petition went on to say that the substitute plan suggested by the Consular Body for regulating factories owned by foreigners having extraterritorial rights through licensing is not a solution but a maneuver to obstruct a badly needed reform by political and diplomatic excuses. Several yeas ago, the petition recalled, when the S.M.C. attempted to put into effect a factory inspection program through an amendment of the Land Regulation, the measure was opposed by the National Government on the ground that it was an infringement on the sovereign rights of the country. Later, when the plan came up for discussion at the Ratepayers' Meeting, it also failed to go through.

Based on this previous experience, the Union saw little chance that the Consular Body's suggestion for factory inspection through the Council's licensing power could be put into effet. The Ministry was asked to press for an early solution of the problem in order to protect the lives and health of Shanghai labor.

The opposition of the Shanghai consular body to the Factory Inspection Agreement concluded in June between the Shanghai Municipal Council and the City Government, on the contended basis that it will encroach upon the power of extraterritoriality, was declared unjust by Wu Wen-tien, Chief of the Labor Department of the Ministry of Industry, in an interview last week. Mr. Wu declared that, should the Chinese authorities accept the suggestion of the consular body to the effect that factories enjoying extraterritoriality should come under the S.M.C. license system as provided in the Yangkingpang regulations, there would be two sets of laws enforced by the same inspection office in the same locality and among laborers of the same nationality. Recalling the introducation of the license system during the annual Ratepayers' Meeting in 1932 when widespread opposition against it was voiced by the Chinese and when the Municipal Council foresaw many obstacles in the way of its enforcement, Mr. Wu regretted that the consular body should today try to carry out what was once considered impracticable several years ago.

Chinese Diplomats to Supervise Assembly Elections Abroad

A total of 22 Chinese diplomatic and consular officials abroad have been appointed by the Head Office of National Assembly Election as superintendents to supervise the forthcoming balloting among overseas Chinese in the respective areas.

The following is the list of the appointees: K. C. Mui, Consul-General in Honolulu; Henry K. Cheng, Minister to Chile; Li Chun, Minister to Peru; Captain Chang Hui-chang, Minister to Cuba; Huang Yun-su, Minister to Mexico; G. D. Shen, Minister to Panama; Alfred Sze, Ambassador to the United States; Li Hao-chu, Consul-General in Manila; Chow Hsi-chi, Consul-General in Ottawa; Dr. Philip K. C. Tyau, Consul-General in Singapore; Chen Chang-lok, Cousul-General in Calcutta; Tsai Hsieh-chang, Consul in Rangoon; Shen Ching-yi, Consul-General to Saigon; Yi Kwan-yen, Chariman of the Chamber of Commerce in Siam; Dr. Wellington Koo, Ambassador to France; Hsu Shih-ying, Ambassador to Japan; Fan Han-sheng, Consul-General at Seoul; Lei Ping-yang, Consul-General at Johnnesburg; Sung Fah-hsiang, Consul-General at Batavia; Kuo Yi-min, Consul-General at Taihoku; and Chen Wei-ping, Consul-General at Sydney.

CUSTOMS NOTIFICATION NO. 1536

Shanghai, 4th August, 1936.

The public is hereby notified that in accordance with Government instructions the export abroad of cotton waste (廢絮) is prohibited.

CHU CHANG-NIEN,
Superintendent of Customs.

PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 4th August, 1936.

KWANGSI REBEL LEADERS REPORTED READY TO RETIRE; JAPAN STAGES GRAND NAVAL MANEUVERS OFF FUKIEN

(*Continued from page 347*)

JAPANESE SEE NANKING INCREASED INTEREST IN NORTH CHINA

General attention was riveted to the interview held July 31 in Tsinan between Gen. Han Fu-chu, Chairman of Shantung, and two envoys of the leading military figures in the Nanking Government ,reported *Domei*. The envoys were: Gen. Chiang Po-cheng, representing Gen. Chiang Kai-shek, and Gen. Shih Ching-ting, representing Gen. Feng Yu-hsiang, Vice-Chairman of the Military Affairs Commission. The visit was interpreted there as a sign of the Central Government's intention to devote its attention to North China as soon as the Southwestern crisis is terminated. Rumors asserted that Gen. Sun Tung-hsuan, former Commander of the 20th Division, would be appointed by the Central Government to succeed Gen. Han.

Domei reported July 29 that the sentiment in Shantung is generally favorable towards Nanking for the following reasons:

1. All high Shantung military officers, with the exception of Gen. Han Fu-chu and his relative, Gen. Ku Liang-min, Commander of the Second Division, received a retainers from Nanking in 1934 through Gen. Chiang Po-cheng, Gen. Chiang Kai-shek's envoy.

2. Former Kuominchun officers in Gen. Han's Army began to regard Nanking with favor since Gen. Feng Yu-hsiang became the Vice-Chairman of the Military Affairs Commission.

SUNG SAYS NORTH CHINA FOREIGN AFFAIRS SHOULD BY HANDLED BY NANKING

"In my opinion all diplomatic affairs in North China should be dealt with directly by the Ministry of Foreign Affairs, and it is not right to have them handled by the local authorities. I have already informed the Japanese authorities to refer all future Sino-Japanese diplomatic issues to the Waichiaopu in Nanking instead of taking them up with Chinese officials here." Thus declared General Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Council, when interviewed by the *Central News Agency* prior to his departure for Paoting Aug. 4. "It is true that China is a weak nation", he continued, "but there is no reason why we should give away our territorial and soverign rights simply because our country is weak. We cannot depend on others in the task of national salvation. We must shoulder this heavy responsibility ourselves. I shall do my best to preserve the territorial and administrative integrity of the country and I mean to keep my words."

China must overcome the present national crisis by her own efforts, without relying upon the assistance of any foreign country, Gen. Sung Cheh-yuan told the press on Aug. 4, according to *Domei*.

Appointment of Gen. Chi Hsieh-yuan and Admiral Ling Hsiao as members of the Hopei-Chahar Political Council was gazetted at Peiping Aug. 5. Gen. Chi was formerly Tuchun of Kiangsu, while Admiral Ling, formerly commander of the Second Fleet of the North-Eastern Navy.

JAPANESE ESTABLISH MILITARY MISSIONS ALONG SUIYUAN RAILWAY

The Japanese military authorities now have military missions established at all main points along the Peiping-Suiyuan railway, at Kalgan, Kueihua and Paotouchen, which is the terminus of the line, reported *Reuters* July 31. At the weekly conference with foreign correspondents that morning Major Imai, military attache, was asked about them and said that all these missions were under the command of the Japanese garrison in Tientsin and not under the Kwantung army. When asked if there were regular flights by Japanese military planes between Peiping and Paotouchen, with stops at Kalgan and Kueihua, the Major replied that there was no regular service but a plane went up aoprpximately once a week.

K. Nishida, former Japanese Consul at Tsinan, arrived at Peiping Aug. 3 to take up his post as adviser to the Hopei and Chahar Political Council. Mr. Nishida has been conferring at Tientsin with General Tashiro, General Officer Commanding the Japanese troops in North China. He is expected to be chief adviser to the Foreign Relations Commission of the Council. Mr. Nishida was formerly connected with the Japanese Embassy in Peiping. His appointment was recommended by the War and Foreign offices in Tokyo.

In connection with the recent shooting incident in Tientsin, in which Chang Te-lu, a Chinese employed by the Japanese Consular Police Headquarters, was shot dead by a guard of the Tientsin Municipal Government due to misunderstanding, *Kuo Min* reported that the Tientsin Municipal Government has paid the family of the deceased $30,000 as compensation and $1,000 as funeral expenses. Another sum of $100 each has also been appropriated as medical expenses for the two men injured in the incident, and $214.50 as repair expenses for the motor-car in which Chang was killed.

JAPANESE RESIDENTS IN TIENTSIN RISE TO 6,735

There are 6,736 Japanese, 2,021 Koreans, and 75 Formosans, now living in the Japanese Concession in Tientsin, according to the latest statistics released by the Japanese authorities.

A big reception was given July 29 by General Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, in honor of Japanese military officers. Several hundred persons were present at the function, which is considered as one of the biggest social functions ever held in Peiping.

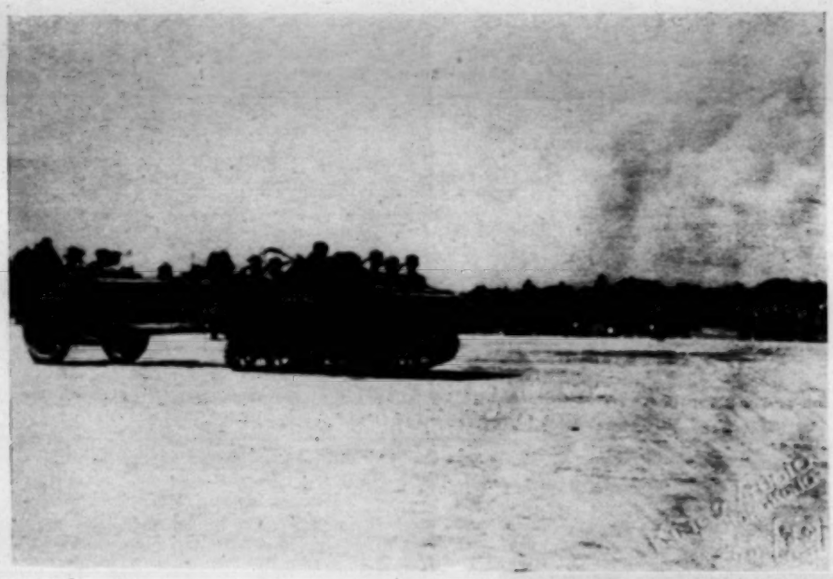
Curtain Drops on China's Civil War Comedy

(SPECIAL CORRESPONDENCE)

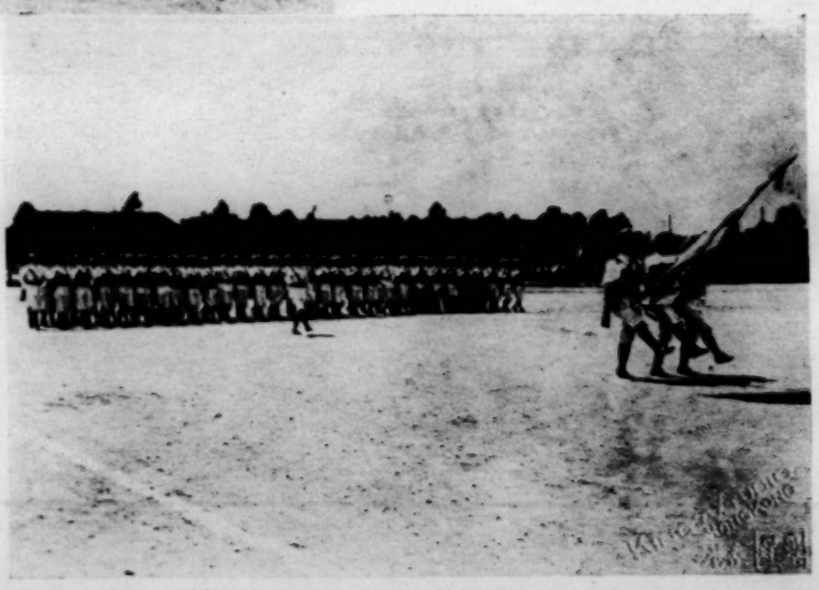
When General Chen Chi-tang, "strong man of the south", fled from Canton to Hongkong in a British warship on the night of July 18, the curtain was rung down on what is probably the greatest civil war comedy in China.

The semi-independent state of Kwangtung, through which General Chen, as its supreme ruler, had for the past five years defied the authority of the Central Government, collapsed in such short order that it even surprised himself and his closest adherents. The revolt staged by General Chen was probably the most short-lived and bloodless in the history of the Republic, for in spite of reports to the contrary, the Central Government armies did not fire a shot to win the victory.

At the very beginning of the so-called "anti-Japanese" expedition in June, the people in Kwangtung knew very well that it was directed at the Central Government, and for this reason, real public support was not forthcoming.



Canton probably has made a greater advance than any other city in China in the purchase of equipment and organization of anti-aircraft defense measures. On the left is a picture of one of the recently purchased motorized anti-aircraft gun units. The unit is of latest American and European design.



On the right, some of Canton's modern German-trained troops on exhibition parade prior to the recent-collapse of the "anti-Japan expedition." These forces are now being reorganized and incorporated into the National forces commanded by Gen. Yu Han-mou, appointed by Gen. Chiang Kai-shek to control Kwangtung province.

If General Chen and his colleagues had kept to themselves they would undoubtedly have prolonged the life of their regime a little longer. Nonetheless, the stage was already all set for their downfall and their open rebellion only precipitated it.

The maladministration, corruption and graft which General Chen and his cortege had introduced during the past few years had long made the people in Kwangtung groan and curse under their breath. To say that the Cantonese hated General Chen and his policies is merely putting it mildly. Individuals, not to speak of the press, could not or dared not attack or criticize the existing regime under threat of arrest and death, as was constantly carried out on the eve of the downfall of the South-west militarists.

In the early stage of the South-west crisis, the press in Shanghai featured the "mammoth anti-Japanese" demonstration in Canton in which "more than 100,000 persons of all classes participated." When the writer visited Canton recently a friend described the parade to me as "one of the greatest gathering of farmers loafers and hooligans that ever was seen." These men were each paid 60 cents to march through the city and shout anti-Japanese slogans.

An interesting fact about the parade which somehow failed to reach the press is that not a single student took part in it. When the military decided to hold the demonstration the educational authorities immediately ordered all schools and universities to close for the summer as they well knew that should the students join in the movement it would become a real anti-Japanese movement which would gain such proportions as to make it difficult to bring under control. Other public demonstrations, the writer was told, were similarly conducted, particularly in the case of the funeral parade for Hu Han-min, the late chairman of the Central Standing Committee. Several thousand "mourners" were hired on the occasion just to make the affair impressive.

The South-west political set-up was controlled by probably the greatest array of corrupt and money-seeking militarists in the history of the province. At different times since the Republic Kwangtung had come under the sway of warlords from other provinces, but such regimes were all short-lived. When General Chen came into power, instead of building up an enlightened administration, he surrounded himself with petty militarists poisoned with greedy and feudalistic ideas. True, General Chen built up a strong and modern war machinery, but instead of using it to resist a foreign enemy and to promote national unification, he utilized it defy the Central Government and to enrich himself and his corrupt associates.

Although he made military training among students and officials compulsory, repeatedly held army manoeuvres, and built up an air force second only to that of Nanking, the "strong man of the south" never felt entirely secure. Being superstitious and not well-educated, he was constantly suspicious of his own lieutenants. High officers were repeatedly humiliated by being placed under detention upon flimsy pretexts, which fact was probably one of the chief reasons ultimately writing finis to his career.

It was not uncommonly known that there was a general dissatisfaction among the ranks of the Canton army; so when the southern warlord challenged the authority of the Central Government, his subordinates withdrew their support in such rapid succession that he had to flee for safety. When the first group of airplanes of the Kwangtung Air Force escaped to Nanchang, the General began to "treat his officers better" by advancing their rank and increasing their salaries, but it was too late.

Exactly how much money General Chen had privately accumulated during his "reign" in Kwangtung no one knows, but it is a public secret that his fortune is so large that he himself hasn't any idea. His wife, Nee Mok Sau-ying, holds the key to his private treasury, and it is widely reported in Canton that she bought foreign currency by the millions with her husband's illgotten gains.

The biggest graft, according to well-informed Cantonese residents, existed in the Customs, salt bureau and the provincial bank; it is no

wonder, therefore, that the Kwangtung budget figures were always in the red during the last few years. Persons close to the Customs declare that the officials of that organ had practically nothing to do as hardly any important amount of goods passed through its desks. Nevertheless, Canton continued to have ample supplies of foreign goods which, it is said, mainly came through illegal channels with or without the understanding and approval of the military officials. The salt revenue, which is one of the largest sources of government income in the south, was entirely in the hands of Chen Wei-chow, brother of the Cantonese warlord, the mere mention of whose name is sufficient to provoke immense hatred and disguest. Furthermore, in spite of the wide publicity given to the sugar enterprises, large quantities of foreign sugar were continued to be smuggled into Canton by the officials, and then re-sold as goods "made in Kwangtung". There is a common saying in Canton that the five sugar refineries produced sugar, but little smoke was ever seen coming out of the smokestacks of the plants.

Another large source of income, which the retainers of General Chen took no little delight in exploiting, was in the provincial bank-notes. When the provincial government decided last year to recall the "small money" 20-cent silver pieces, paper notes, literally speaking, were printed by the tons, and it will probably never be known how much was actually circulated. Some of the provincial bank officials, who were among the closest followers of the General, evidently knew that their days were numbered and printed $1 notes as fast as the machines of the Hongkong Chung Hwa Book Co. could operate. As a result, paper money became so abundant that persons receiving amounts anywhere up to $10,000 usually got them in $1 notes fresh from the printing press.

But the militarists were not satisfied there. In addition to millions of dollars collected in the form of miscellaneous taxes without the approval of the National Government, opium dens and gambling joints were legalized and became public institutions. The new gambling center at Shumchun, which has been built into a virtual city, and fan-tan and other gambling devices in Canton, put to shame the trade in Macao, reputed to be the Monte Carlo of the Far East.

In all fairness to the Kwangtung provincial government, one must say that certain of the political leaders, including Lin Yun-kai, the Governor, and Liu Chi-wen, the Mayor of Canton, worked against great odds in accomplishing what now stand out as landmarks of the Three-Year Reconstruction Program. Millions of dollars have been spent in building the new campus of the Chung Shan University at Shekpai, turning it into probably the finest university grounds in China. Large sums were also expended for improving the power, water and telephone services in the city, for the construction of the Municipal Observatory and the new Shanghai-Canton radio-telephone station. A large weaving factory turning out silk, cotton and woollen products is now operating satisfactorily, while a cement factory at Saichuen is also supplying a high-grade product to builders in the south. Projects now under construction include the steel factory, silk improvement stations, newsprint and caustic soda factories.

Kwangtung is the cradle of the Chinese revolution and the second richest province in the country. The Central Government well recognizes that with its control over that area it will facilitate and accelerate the national unification and recovery plans. It is an interesting fact that most of the new government appointees to the high provincial posts are natives of Kwangtung, including General Huang Mu-sung, the governor, General Yu Han-mou, pacification commissioner and T. L. Soong, the finance commissioner. The people in Kwangtung naturally welcome such a step because they are provincial-minded and want the province to themselves. They will place great hopes in Nanking, however, particularly in the financial rehabilitation plan. It is now up to the Central Government to see that a new era of enlightenment is firmly established in the province so that the 30,000,000 Cantonese will not have hoped in vain.

L. D.

Koreans Never Really Conquered —Work for Independence

(SPECIAL CORRESPONDENCE)

Japan, in a true sense, has never conquered Korea, and the Korean people have never recognized the Japanese as the rightful masters of their land. After entering the land with its military forces at the beginning of the Russo-Japanese War on terms definitely guaranteeing the political independence and territorial integrity of Korea, Japan remained, gradually shifting her position through the presence of this military occupation,—thus peaceably obtained in the first instance, from that of a friendly neighbor to advisor, from advisership to protectorate, then to final annexation against the will of the people. Through the most elaborate system of publicity propaganda, of which she is a past master, and diplomatic maneuvers, Japan created an impression in the West that she was absorbing Korea for the benefit of the Korean race.

The Korean people did not submit to Japanese domination so peacably as the West had supposed. When the Korean army was disbanded in July, 1907, the soldiers of Major Pak's battalion fought and died to the last man against the overwhelming Japanese forces. Thousands of Koreans organized into volunteer corps to fight without arms the Japanese army. They were described in the Japanese press dispatches as bandits, but they were no more bandits than were Washington's Continental Army or Garibaldi's Volunteers. F. A. McKenzie is the only white man who ever visited the fighting districts of the Korean volunteers. After describing the heroism and suffering of the Koreans against some 20,000 Japanese regulars, he concludes, "The Koreans continued their fight until 1915, when according to Japanese official statements (which is only another piece of Japanese propaganda work), the rebellion was suppressed. One can only faintly imagine the hardships these mountaineers and young men of the plains, tiger hunters and old soldiers, must have undergone. The taunts about Korean 'cowardice' and 'apathy' were beginning to lose their force. Their gallant defense excited the greatest admiration even among the Japanese. The Japanese spoke with more respect of Korea and the Korean people than they had ever done before." But fighting still goes on in the remote districts of Korea. The Japanese government no longer calls these fighting patriots bandits but Bolsheviki, knowing that the name Bolsheviki would suggest an odium in America and Western Europe. The truth is that they are neither Bolsheviki nor bandits. They are militant nationalists who prefer death to living under the Japanese yoke. Many of them were sent to different parts of the country with special missions.

A large number of these militant nationalists now reside in Manchuria, Siberia and here in China, ready and willing to make any sacrifice for the emancipation of their nationals from Japanese domination. The "Hongkew Park Incident" of some years ago is another proof of what my comrades could do and will do. A recent study gives a clear description of these warring bands of Korean patriots:—In Manchuria, China and Siberia, there are nearly two million Koreans who have been forced to leave their native land. It is with these protagonists of force it is planned to work. That they are drilling and studying military and aviation science in Russia, America and elsewhere is known, as is the fact that raids have been made by such bands on isolated Japanese posts along the Korean-Siberian border. With money that is contributed voluntarily by Koreans inside and outside Korea, arms are being bought and bands fitted out. It is our hope that some day these bands will be numerous enough, strong enough and well enough trained for an organized effort to drive the Japanese out of Korea. It is the existence of such bands that has given rise to reports that the Koreans are allying themselves with the Bolsheviki. There may be some truth to this as the Korean nationalists are looking for a partner when they are in a position to challenge the Japanese in Korea. The Koreans are taking what help they can get from any quarter but this does not mean that they subscribe to Bolsheviki doctrine. It is because they are dominated with but one aim—to free their country from Japanese rule. To realize that aim they will and are accepting help from any source, whether Red Russia or White America.

The Korean's love of country has been learned in the losing of it, and the value of liberty in the deprivation of it. The process of denationalization forced upon her by Japan served as a crucible in which Korean patriotism was crystallized. During the 28 years of tyrannical domination, Japan, unconsciously and in spite of herself, gave Korea a new hope, an ideal and a fighting spirit. Now Korea is no longer the Korea of traditional sloth. A fresh impulse has been generated in Korea and the awakening of a vital nationalism has taken place. The people have become conscious of the meaning of their nationhood and are sacrificing themselves for the realization of it. They have opened their eyes to the world outside their beautiful peninsula and are eager to fall in with its step. No longer can the soldier's rifle or the firing squad cow them. This is the spirit of the New Korea—the Spirit in which we have pledged our lives, until death, for the overthrow of Japanese imperialism and for life and liberty.

Peiping, August 3, 1936.

Graduates of Citizens Training Class Are Reviewed by Mayor at Lunghwa

Marking the completion of the first period of civic training in the Municipality of Shanghai, a ceremony was held at the Lunghua Airdrome under the auspices of the City Government Aug. 1. Despite a drenching shower of rain, 4,500 graduates of the first Citizens Training Class marched past Gen. Wu Te-chen, the Mayor, on the muddy Lunghwa aviation ground shouting "long live China; long live Kuomintang; and long live Gen. Chiang Kai-shek." Dressed in khai uniforms and carrying rifles, but without ammunition, the participants stood at attention as the Chinese flag was being raised to the accompaniment of a bugle call. The training program began in the latter part of May with students drawn from every walk of life, being selected by the census officials of the Bureau of Public Safety. Every man from 18 to 35 years of age is a candidate for such training classes, with the exception of those who already have had military training or are physically unfit. There are two classes daily, one in early morning and the other in the afternoon. In the morning they are taught military knowledge, while lectures are given in the afternoon. Upwards of 400 local government officials and leaders of various public organizations, including Mayor Wu Te-chen, of Greater Shanghai, General Tsai Ching-chung, Director of the Public Safety Bureau, Pan Kung-chan, Director of the Education Bureau, O. K. Yui, Secretary-General of the City Government, were present at the ceremony. Presiding over the ceremony Mayor Wu delivered an address, in which he stressed the importance of civic training as a means to rejuvenate the nation and expressed the hope that those who had undergone such a training would succeed in their individual careers as well as in public service. Each of the graduates received a certificate.

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THE

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The 1936 edition is in process of preparation and will be published in September of this year. Price $50.00. It will contain about 1000 pages and financial, historical and credit information on about 6,000 firms as well as about 1,000 of the latest audited Balance Sheets.

The Japan Edition published in July will contain about 1000 pages with information on 7,000 to 8,000 firms and many Balance Sheets, price $50.00.

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August 5, 1936

Stock Exchange— Business Done:-
Total Volume: 1,050,000 Shares

1936 High	Low	Div. $ per sh.	STOCKS	Last Sale Aug. 3	Aug. 4
13⅞	9⅝	0.10	Adams Express	12⅞	12⅞
136⅞	115⅝	4.00	American Can	125½	126
40⅝	29¼	0.60	Amer. Cyanamid "B"	35⅝	35½
9⅝	6½	—	American & For. Power	7⅝	7⅝
43	29⅝	—	American & Foreign Pwr. $7 pfd.	37	36⅝
27⅝	18⅝	—	American Radiator	22⅝	22⅛
178	149½	9.00	American Tel. & Tel.	173⅛	174
104	88½	5.00	American Tobacco "B"	102½	103⅛
26⅝	19⅛	—	American Waterworks	25½	25⅝
39¾	28	0.25	Anaconda Copper	38⅝	38½
86⅝	59	2.00	Atchison, T. & S. Fe	83	83⅞
54¼	27	—	Auburn	33⅜	32⅝
24¼	15⅞	—	Baltimore & Ohio	20½	20⅝
63⅜	45⅝	—	Bethlehem Steel	54¼	55¼
29⅝	16⅞	—	Boeing Airplane Co.,	29⅜	30¼
16	10⅞	—	Canadian Pacific Railway	12¼	12⅛
183½	92½	—	Case, J. I.	163	168
49	34	1.40	Chase National Bank	49	50⅛
85	59	3.00	Chesapeake Corp.	81½	81½
68⅝	51	2.80	Chesapeake & Ohio	67½	67
123⅝	85½	4.00	Chrysler	119	119
23	14	0.40	Columbia Gas & Electric	22¼	22¼
24⅝	14¼	0.60	Coml. Solvents	16⅝	16¼
5½	2¼	—	Commonwealth & Southern (ord.)	3⅜	3⅝
43⅜	27¼	2.00	Consolinated Edison	42¼	42½
15¼	11½	0.60	Consolidated Oil	12⅜	12⅝
38½	28⅛	1.00	Continental Oil	30½	30
82	67	3.00	Corn Products	68¾	68
78¼	50⅝	0.75	Douglas Aircraft	77½	75
167¼	133	3.60	Du Pont de Nemours	165½	166¾
26⅜	15⅜	—	Electric Bond & Share	24⅜	24⅝
44⅛	34½	1.00	General Electric	44⅛	44
43	33⅜	1.80	General Foods	37½	37½
72¼	53⅞	2.00	General Motors	69⅞	69½
50	32½	1.00	General Railway Signal	39	39¼
21⅜	12⅞	0.60	Gold Dust	13⅜	13¼
31⅞	21⅜	—	Goodyear Tire & Rubber	24¼	23⅞
76½	57¼	1.00	Humble Oil	65	64⅞
54¼	43¼	1.00	Internation Nickel	51⅜	51
19¼	12	—	International Tel. & Tel.	12⅞	13
44⅞	28¼	1.00	Kennecott	44½	44
54⅞	43	2.00	Loew's Inc.	54¼	54¾
26½	21¼	1.20	Lorillard	24⅛	24
103	80⅜	1.00	Monsanto Ch mical	99	98½
47¼	35⅜	0.20	Montgomery Ward	46¼	47¼
44⅜	31	1.00	National City Bank	43¼	44½
28¼	21	1.20	National Dairy Prods.	26¼	26½
33⅜	26¼	2.00	National Distillers	27⅞	27⅞
14⅞	9⅜	0.60	National Power Lt.	12¼	12⅜
42¼	27⅜	0.10	New York Central	39⅞	40⅜
35¼	23½	1.00	North American	33½	33⅞
40⅞	30⅜	1.50	Pacific Gas & Electric	39⅜	39⅝
58⅜	47⅝	2.40	Pacific Lighting	56½	56½
12	6⅞	0.10	Packard Motors	10⅜	10⅝
39	28¼	1.00	Pennsylvania Railroad	37	36⅜
49⅜	38⅛	1.00	Phillips Petroleum	44¼	44⅜
48⅝	39	2.40	Public Serv. of N. J.	47½	47
14¼	9⅜	—	Radio Corporation of Amer.	12⅛	12
58⅝	50	3.00	Reynolds Tobacco "B"	56	55⅝
52	38¼	—	Schenley	38½	38⅝
84	59⅝	2.00	Sears Roebuck	81⅞	82
17	12½	0.40	Socony-Vacuum	14⅝	14⅛
32½	25	1.50	Southern California Edison	31½	30⅝
41	23½	—	Southern Pacific	39¼	39⅞
18	14⅝	0.80	Standard Brands	15⅞	16
9⅞	5⅛	—	Standard Gas & Electric	7½	7⅝
70	51⅛	1.00	Standard Oil Co. of N. J.	63	63½
73⅞	65	3.80	Sterling Products	73	73½
38⅝	33	2.00	Texas Gulf Sulphur	36	36⅛
14⅝	11	0.30	Transamerica	13¼	13
97¼	71⅝	2.00	Union Caride & Carbon	95	95
138½	108½	6.00	Union Pacific	138	138¼
32⅝	20⅝	—	United Aircraft (New)	27⅝	27⅛
21	13	—	United Airline Trans.	18⅝	19
9¼	5⅜	—	United Corporation	8⅜	8½
19½	14⅜	1.00	United Gas Im rovement	17⅜	17¼
59	31⅝	2.00	U.S. Indus. Alcohol	35⅝	35¼
35	16⅝	—	U. S Rubber	32½	32¼
72⅝	46⅜	—	U. S. Steel	65⅛	65⅞
27¼	16¼	—	Vanadium	20½	20
14⅝	9¼	—	Warner Bros. Pictures	12⅛	12¼
141¾	94½	1.75	Westinghouse Electric	139¼	140

Call Money: 1 %

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